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INTER-AMERICAN AFFAIRS

DOMINICA SEEN TO PLAN ATTACK ON TRINIDAD TRADE POLICY

Port-of-Spain SUNDAY GUARDIAN in English 28 Jul 85 p 7

[Article by George John]

[Text]

MY friend Bootins Alkins used to sing me and whoever else was in our small audience a calypso with more or less unprintable lyrics recording the peculiar qualities of a brew labelled "Sangre Grande Water."

I suspect these lyrics have not been published either in Atilla the Hun's classic book on Kaiso or in the companion work by Keith Warner because perhaps they never heard them or, as I say, because they may be regarded as unprintable.

On the other hand the Roaring Lion, I think it was, once publicly espoused the claims of "Sally Sally Water" in one of his more famous songs, and "Chip-Chip Water" has also been immortalised in another calypso that achieved considerable popularity.

Tobago's "Pakro Water" has not been touched, to the best of my knowledge, by the calypso singer and I leave it to Shadow or perhaps Crusoe to let us have a verse or two or three on what may be their home island's native beverage.

Thoughts of these various brands of water (I have left out Jamaica's "Mannish Water" as not being exactly relevant to the occasion) sprang to mind following an interview I had last weekend with Prime Minister Eugenia Charles at her home, oddly named Wall House, just outside Roseau.

Trinidadians had better be warned. If not exactly on the warpath, "Mama Eugenia," as she is known here, plans what may turn out to be a reconnaissance mission next month as soon as she is through with the state opening of the new House of Assembly and the presentation of her national budget.

SPRING WATER

"Why," she asked me rhetorically, "Is Trinidad refusing to buy our spring water when they buy two foreign makes of bottled water?"

For the record, Dominica bottles a product under the brand name "Carib Spring" and described as "natural spring water; not carbonated... truly pure... perfect for baby's bottle — no need to boil... beneficial to people of all ages... it helps the body to naturally rid itself of toxins."

If this sounds like fun and games, forget it: The lady is deadly serious — serious enough to propose to the Trinidad and Tobago Government that they entertain a visit from her as soon as mutually convenient.

Her mission will not be, of course, all about water. For the Prime Minister seems genuinely anxious to find out why Trinidad and Tobago, among other territories, is buying from outside the region products which are available within the Caricom system.

First off, Charles reasserted her commitment to Caricom.

"It is essential to our existence," she said. She believed they should fight hard to keep Caricom alive. But she acknowledged there were economic difficulties affecting all the territories and they were creating the problem.

Those difficulties, Charles emphasised, predated the Grenada issue. They began in the fall of 1982 when Jamaica instituted the two-tier exchange system without prior consultation among her Caricom partners.

But they had gone beyond that and now Dominica feels she was being short-changed by what Charles called her Caricom brothers.

They were still getting for example, citrus from places outside the region when Dominica could supply all their needs for this product.

On this she had a special word for entrepreneurs in Port-of-Spain:

"Why isn't Trinidad saying to us, 'we import citrus concentrates from Brazil — why can't we come together with you and make a joint venture, so you make the concentrate, so we can buy it from you?'" She said she had raised such matters with Trinidad many times and she intended to go back to Port-of-Spain to raise them again.

SURVIVAL MATTER

Caricom, for the Dominican Prime Minister, is a matter of survival. For it to work, the partners have to make certain sacrifices and she gave an example of one her government was making. Dominican merchants have been complaining to her about her Government's limiting importation of goods from certain areas and they had pointed out that other countries were not restricting their imports.

But in the spirit of Caricom she had refused to budge and had lost the support of those merchants. As she put it:

"I prefer to be right with the rules than wrong with the other countries."

She was prepared to sell the Caricom idea and persuade the people of its benefits. But she must see also some reciprocation on the other side.

Said Charles coming back to Trinidad: "From the very first day I got into Government in 1980 I stated categorically that BWIA must be the national carrier. Now people may say 'It is easy for you to

talk.' You don't have a jet airfield where other planes come in. But I have been saying further that we should try to amalgamate LIAT and BWIA and have the airline in all these islands."

She knew, she said, the Dominica market was small, but it was open to everything Trinidad could sell. At the same time Trinidad market was important to Dominica.

There was also the other problem — Trinidad's trade obstacles based on the right ECOs which prevented farmers from being paid for their exports.

Dominica, she said, was prepared to sell market products to Trinidad buyers (Barbados also) until they could become self-sufficient, as had happened with tomatoes where Trinidad is ahead of everybody else. "Let the ECOs come out so they can get paid for it. Let us know we can ship to you and that you can pay for it," she declared.

So Dominica's No.1 salesperson, wielding the prestige and authority of being the nation's Prime Minister, will, George Chambers willing, lead the assault on a seemingly stubborn Trinidad and Tobago market in the second half of next month.

SMALL DROP

What Dominica has to sell is a small drop in the Trinidad bucket, she said not without irony, nowhere near the amount spent on whisky abroad. So while it is all right for Trinidad and Tobago to tighten its belt given the current economic difficulties, don't begin with Dominica.

Tighten that belt against bigger countries who would not feel the loss.

The calypsonians, those artists of the simple rhyme, should be delighted when Dominican water hits the market.

INTER-AMERICAN AFFAIRS

TRINIDAD TO SEND VENEZUELAN FISHERMEN HOME

FL281758 Bridgetown CANA in English 1746 GMT 28 Aug 85

[Text] Port-of-Spain, Trinidad, 28 Aug (CANA)--Fishermen in south Trinidad say they will ask Venezuelan fishing vessels to return home if found in the Icacos fishing rounds near Trinidad's southernmost tip.

The action follows the detention of three Trinidadian fishermen last week by the Venezuelan authorities until they paid the equivalent of a TT 1,000 dollar (one TT dollar; 41 U.S. cents) fine.

The three men were allegedly beaten by Venezuelan Coastguard officers although an External Affairs Ministry release had stated that Minister Errol Mahabir was assured there was no violence inflicted upon the fishermen.

The fishermen of Icacos told the GUARDIAN newspaper they were seeking the cooperation of fishermen in the other southern fishing villages of Moruga and Erin to politely ask every Venezuelan fishing boat found in Trinidad's water to return to Venezuela.

From today, any Venezuelan fishing boat seen passing near the Icacos Beach will be stopped and advised to return to their country, one boatowner said.

The governments of Trinidad and Tobago and Venezuela are at present working on settling outstanding issues in a new bilateral fishing agreement. The last accord expired in May 1984.

CSO: 3300/51

INTER-AMERICAN AFFAIRS

DOMINICA REPORTS ON STATUS OF TRINIDAD, VENEZUELA PROJECTS

Port-of-Spain EXPRESS in English 14 Aug 85 p 56

[Text]

ROSEAU, Dominica, Tuesday, (CANA) — A Trinidad and Tobago financed low income housing scheme in Dominica has been brought to a halt mainly because of a lack of disbursement from Port of Spain, Prime Minister Eugenia Charles has said.

She said that the housing programme under the Trinidad's Caribbean Aid Project had already involved the construction of 140 houses but that the "implementation rate on this project has however been slow and is in fact at a standstill due mainly to lack of disbursement from the donor."

No reasons were advanced by Charles in Parliament yesterday for the project grounding to a halt.

Government officials could not say today how much of the \$7 million (TT) had been drawn down or how many houses had been built. Charles and other ministers were attending a Cabinet meeting.

Meanwhile, Trinidad

and Tobago's Minister in the Ministry of Finance and Planning, Anthony Jacelon under whose portfolio the housing scheme falls, said yesterday that he could at this time give no further details as to why the project had been halted. He admitted that the last time he had had word about the project was three months ago.

Prime Minister Charles said that another programme under implementation is a Venezuela-Dominica financed housing scheme.

Venezuela has provided 100 prefabricated houses along with a loan of three million bolivars towards the project with Dominica input being infrastructural works costing \$1 million (EC).

Charles said that perhaps the most significant initiative taken in housing has been the execution of agreements with the Caribbean Development Bank (CDB) and the Dominica social security programme for the provision of a loan of \$8 million (EC) for low income homes.

INTER-AMERICAN AFFAIRS

OFFICIALS FEAR BANANA GLUT IN WINDWARD ISLANDS

Castries THE VOICE in English 10 Jul 85 p 2

[Text]

BANANA officials from the Windward Islands, projecting production increases in the four islands and Jamaica, say regional co-operation is necessary to avoid over supply in the Caribbean.

Last weekend's annual general meeting of the Windward Islands Banana Association (WINBAN) was told of structural changes taking place in administration and production in the Jamaica banana industry.

St. Lucia's Agriculture, Minister Ira d'Auvergne said that despite the anxieties during the past few years over the low Jamaica supplies it may not be too long before the gap is removed.

He said Jamaica planned to establish about 6,000 irrigated acres of bananas on three large farms to yield about 100,000 tons per year. An additional 50,000 tons will be supplied by small producers, and officials expected to produce 120,000 tons by 1988.

He said the Windward Islands had recovered fully from the effect of natural disasters and have made a substantial

recovery since 1978 when the islands shipped in excess of 130,000 tons.

This figure was surpassed in 1984 by 6,000 tons. "There is every reason to believe that this trend of increased production will be maintained."

He added: "In the light of the parallel policies of Jamaica and the Windward Islands to expand their production there must be full consultation and understanding, if an over supply situation is to be avoided in the next few years."

The Minister said it seemed advisable that WINBAN renew old informal and formal ties with the new Banana Exporting

Company and the All Island Banana Growers Association of Jamaica.

"On a governmental level we will endeavour to maintain active links through our diplomatic machinery in the UK and Brussels as well as regionally in support of your various efforts," he said.

d'Auvergne said up to last week the Windward Islands had shipped 80,678 tons out of the estimated 142,000 tons for the year. The equivalent figure for 1984 was 73,714 tons.

"We in St. Lucia have so far increased our production by 6,970 tons over last year, and we anticipate that this increased production will continue to be reflected in the second half of the year," he said.

CSO: 3298/961

INTER-AMERICAN AFFAIRS

CARIBBEAN CHURCH GROUP SURVEYING AREA POVERTY

Bridgetown CARIBBEAN CONTACT in English Aug 85 pp 1, 11

[Text]

THE Caribbean Conference of Churches (CCC) is currently carrying out a series of national profiles which are intended to be a background against which poverty in various Caribbean territories can be examined. The decision to implement such surveys was taken by the CCC's Continuation Committee in March 1984. Not only are the surveys intended to provide a focus for the work of the CCC's programmes but also to further the CCC's goals of ecumenism and social change in "Solidarity with the poor" thus enabling it to be an effective agent or instrument of change and development.

**AIM OF
SURVEYS**

The aim of the surveys is to formulate a strategy for tackling the situation of poverty in each of the constituent territories of the CCC. This is to be done with the assistance of member denominations, clergy and laity, representatives of ecumenical bodies mainly Christian councils and local development fund committees, other non-governmental development organisations and the poor in the territories.

Several areas have been defined to facilitate the collection of data: cultural and religious, social (education, migration, housing, nutrition, health, human rights, population characteristics), political (levels of organisation/institutional development), economic (ownership, distribution of wealth, income levels, unemployment, employment), food production and importation, and transportation network.

**MAJOR ISSUES
TO BE IDENTIFIED**

Within these defined areas major issues of a developmental nature are to be identified. Also to be identified are:

— communities where there is a need for work to be done;

- ways in which the Church tries to assist;
- future development plans;
- how communities and local groups can help themselves and;
- the CCC's involvement in the country.

Finally proposals are put forward for a CCC response to the problems outlined.

FIRST SURVEY

The first such national survey was carried out in Belize, March 27 to April 11, 1985 by Mr. Lambert Rae, acting Associate General Secretary for Programme Planning and Coordination and Ms. Lilliana Cabral, Co-ordinator of the Education Unit, both of the CCC. A report entitled "A Profile of Poverty in Belize and Proposals for a Christian Response" was drafted in May based on the findings of the survey.

The major problems identified in Belize were:

- an influx into the country of refugees and migrants from the neighbouring countries of El Salvador, Guatemala and Honduras resulting in a sudden upsurge in criminal activity and a 'Latinisation' of Belize;

- marijuana production and trade;

- ownership and control of

the national economy by multinational companies;

- high levels of unemployment;

- increasing influence of foreign fundamentalist religious sects on the poor sections of the population coinciding with a decrease in membership of the traditional churches and;

- poor housing conditions.

GREATEST CONCENTRATION OF POVERTY

The survey also identified areas of the greatest concentration of poverty in Belize — Belize City, the Toledo District and the Stann Creek District. It was proposed that the CCC should provide support for work in a specific geographical community according to the level of community initiative or organisation as well as the involvement of the churches and non-governmental organisations.

In addition, it was proposed that the CCC should examine with other organisations the issue of land availability, land reform and food production in Belize and should also provide support to help redress the problems facing the farming community in that country.

FOLLOW UP

As a follow-up to the survey a consultation was held in Belize, July 3-4 during which a committee was formed to select a rural community and an urban community in which the Belize Christian Council, the Belize Community Development Corporation,

and other organisations would work with the community to identify problems and assist in the development of projects to respond to these problems. The committee decided that development work would focus on two areas: the youth in the urban community and food production in the rural community.

SURVEYS IN CCC'S SUB-REGIONS

Before the end of the year each of the CCC's sub-regions will conduct two such similar surveys. At present Ms. Elaine Alleyne, CCC's Livestock Officer, and Mr. David Spencer, Programme Officer (Church and Society), are conducting a survey in St. Kitts in the Antigua sub-region and this will be followed by surveys in Saba and Nevis. Surveys will also be carried out in St. Lucia and Barbados in the southern sub-region and in Jamaica and Puerto Rico in the northern sub-region.

At the beginning of 1986 the Programme Staff of the CCC will examine the achievements and shortcomings of these surveys and assess their ability to help the organisation identify the priority areas for assistance in the Caribbean.

ANTIGUA AND BARBUDA

GOVERNMENT ORGAN REPORTS ON LESTER BIRD'S VISIT TO PRC

St Johns NATION'S VOICE in English 28 Jun 85 p 1

[Text]

An Antigua and Barbuda delegation left The People's Republic of China recently at the end of an official visit. The delegation, led by Deputy Prime Minister Hon. Lester Bird, includes Minister Responsible for Trade Hon. Hugh Marshall, Agriculture Minister, Robin Yearwood and head of government's planning unit Mr. Eden Weston, Chiefs of Protocol, Mrs. Ena Pereira and Permanent Secretary in the Ministry of Agriculture Lands and Fisheries Ernest Benjamin.

While in China, formal talks were held with a number of Chinese leaders with particular emphasis on the expansion of trade and an increase in the level of assistance afforded to Antigua and Barbuda. The delegation was there at the invitation of the Chinese government which met the most of travel.

Antigua and Barbuda, is the only Organization of Eastern Caribbean States which diplomatic ties or other relations with the People's Republic of

China. It did so in 1983. In that year, Antigua and Barbuda Prime Minister, Rt. Hon. Vere Bird visited China and he was able to secure a grant of \$EC 1 million. Since then China has assisted with technicians in various fields of endeavour. Up upon this friendship the Deputy Prime Minister will build.

While addressing a banquet in his honour on Monday night, Mr. Bird made it absolutely clear that Antigua and Barbuda would support no form of terrorism. Mr. Bird was speaking in the wake of apparent blowing up of an Air India Plane and the continued seizure of the TWA aircraft in Beirut. China, Mr. Bird said he was sure, would join Antigua and Barbuda in expressing loud and clear their aversion to international terrorism.

China's Foreign Minister Wu Xuequian was loud in his praise of Antigua and Barbuda

or pursuing a foreign policy based on friendship, good neighbourly relations, pluralism and self-determination at the same banquet.

On Wednesday, Antigua and Barbuda secured a further grant of EC\$2 million dollars and lines of credit. The Deputy Prime Minister also signed a memorandum of Understanding to establish a number of joint ventures in Antigua and Barbuda with the Chinese Government. These joint ventures stated Mr. Bird, will be open for participation by the private sector. The entire package is estimated to be worth over EC\$5 million dollars.

In a public statement in Peking, after the signing, Mr. Bird said "We have found you to be nothing less than genuine friends and we have greatly appreciated the fact that your assistance to us has been given on a basis of equality and mutual respect.

The delegation will return home early next month after a brief visit to Hong Kong.

ANTIGUA AND BARBUDA

NEW FACTORY MAKING STEEL SHEETS WILL BE ABLE TO EXPORT

St Johns NATION'S VOICE in English 28 Jun 85 pp 2, 11

[Article by Asif Khan]

[Excerpts]

In Antigua and Barbuda, as in many other Caribbean island nations, sugar has been the mainstay of the economy. But dependence on one commodity is gradually being reduced as the country takes the road to industrialisation.

The latest illustration of industrial advance is a factory making corrugated steel sheets which began production last year.

The factory is not only meeting local demand for previously imported roofing material but has already started exporting to other Caribbean countries.

It can make 50 tonnes of galvanised sheeting a day as well as other products, including tanks to store rain water.

The factory is believed to have a wider range of galvanised product than any other in the region. It can supply goods in galvanised finish as well as in plastic coating and in various colours.

A novelty is the corrugated steel roofing which looks like clay tiles.

When the factory was the prompting of Prime Minister Bird, who has taken close interest in the factory.

Although Mr. Henderson, who had owned an aluminium factory in Britain, had the capital, he needed technical guidance and assistance.

This was provided by the Industrial Development Unit (IDU) of the Commonwealth Fund for Technical Co-operation, the developmental arm of the Commonwealth Secretariat, following a request by the Antigua government.

Prime Minister Vere Bird sees the factory as something good for the nation. "We were dependent on sugar for hundreds of years," he pointed out. "When the price of sugar sank low, it caused extreme suffering. We've been trying to industrialise in order to reduce that dependence.

"We've tried to show people that it is possible to manufacture goods here. Not everything need come from abroad.

They have to become used to the concept that they are not just consumers, but also producers."

He added: "I look upon Mr. Henderson's factory as a great accomplishment. Things like this were not possible just a few years ago. We've now got over 20 factories, and these, along with the tourist industry, have provided many jobs and reduced our dependence on sugar."

Of IDU assistance for Mr. Henderson's factory, Mr. Bird said: "We are very grateful to the Commonwealth for assistance of this kind. It helps us to diversify the economy of our country, and we look forward to receiving such help in the future."

Antigua and Barbuda (Population: 78,000) is among the latest Commonwealth countries to benefit from assistance from the IDU, headed by Alban Couto, a former Additional Secretary in India's Ministry of Industry.

ANTIGUA AND BARBUDA

ATLU ORGAN CALLS FOR GOVERNMENT ACTION ON WAGES

St Johns THE WORKERS VOICE in English 27 Jul 85 p 2

[R.A. Bascus column "Frankly Speaking": "Time Is Running Out"]

[Text]

It is over six months now since the Cabinet sent out a "Minute" to all Permanent Secretaries and Chairmen of Statutory Bodies and Agencies of Government prohibiting them from conducting any further negotiations with Unions and freezing wages and salaries as from 25th January, 1985.

The Union protested this arbitrary decision to the Prime Minister, stating that Cabinet had no legal right to prohibit nor interfere with the normal process of Collective Bargaining once all requirements of the Labour Code were met. The Prime Minister asked the Union to hold strain as the heads of some of these Statutory Bodies were doing as they like e.g. (the head of State Insurance receives over \$50,000.00 per annum and drives a government vehicle and gets \$600.00 per month as travelling allowance).

He said that Cabinet asked Dr. Lewis to investigate working conditions and salaries of employees of these Government Agencies and relate them to the salaries of Civil Servants. The Union hesitatingly agreed to wait for the conclusion of Dr. Lewis' enquiry on condition that there would be no freezing of salaries and that all increments already negotiated must be paid.

Cabinet has now studied Dr. Lewis' report and I am told that it has been referred to the Hon Christopher O'Marde for implementation as it relates to revised salaries and conditions in the Civil Service. Apparently there has been no deadline given to the Hon. Minister for submission of his findings to Cabinet. The Hon. Minister, with all due respect to him, is one of these straight-laced gentlemen who does everything by the book and in the orthodox manner, may not present his report just now and the tolerance of the workers and the Union is running out. It is wise that the Government take heed.

The Union expects to be given a date when negotiations may continue, or else the usual industrial channels will be followed and what happens after, may be anyone's guess.

The Government is now requested to move fast in informing its Statutory Bodies and Agencies to resume negotiations with the Union within their guidelines or else the matter will be resolved otherwise. The wait has been a very long one for the workers involved, and they are becoming very concerned. There can be no more pussy-footing on this matter. Time is running out.

It is noteworthy that from Dr. Lewis' report the abuses by these Statutory Bodies are limited to management and not the unionized workers, yet they are the ones who continue to suffer.

CSO: 3298/962

ANTIGUA AND BARBUDA

HOUSE PASSES NEW MEASURES TO GENERATE MORE REVENUE

St Johns NATION'S VOICE in English 28 Jun 85 p 1

[Article by Everton Barnes]

[Text]

Government is hoping to raise an additional \$2.5 million dollars in revenue from a number of revenue measures passed by the House of Representatives this month, Finance Minister Hon. John St. Luce has said.

Leading the debate in the house on these measures, the Finance Minister said the cost of running the government machinery is increasing each year and new avenues to raise money must constantly be explored and implemented.

Mr. St. Luce gave a historical and philosophical account of the development of government and why taxes, levies and dues must be paid. He said the citizens of a country expect government to provide certain services. These include water, electricity, roads, health care, and providing the conditions for citizens to improve their standards of living. For government to be able to adequately provide these services, Mr. St. Luce said people must understand that it is a reciprocal relationship and pay their taxes.

The new revenue measures are: The Consumption Tax (Amendment) Act, The Provisional Collection of Taxes Act, the Revenue (Miscellaneous Provisions) Act, and the Property Tax Ordinance (Amendment) Act.

Perhaps the most wide ranging of the new measures is the Revenue Miscellaneous Provisions Act. It provides for increases in car and drivers licences, drivers permit, birth certificates and for the first time licences for trailers.

By adopting the Consumption Tax Amendment Act, government is seeking parliamentary approval to vary the consumption tax on some goods. The minister explained that there will be times when the prices of some item e.g. oil, may increase and government will not want to pass on the full amount to consumers so it will lower the consumption tax on the item. It also works the other way when the price of the item (oil) may decrease and government may not want to pass on the full benefit to consumers so it increases the consumption tax.

The Property Tax Ordinance Amendment Act gives the Commissioner of Inland Revenue full scope to collect taxes that might be in arrears, while the Provisional Collection of Taxes Act gives government the flexibility to increase and remove certain taxes and dues at very short notices. These taxes cannot be in force for more than six months at a time.

Mr. St. Luce also explained that the bills are being adopted at this time in an effort to bring them in line with similar bills in the other organisation of Eastern Caribbean States (OECS). He said the OECS countries took a decision some time ago to standardise their fiscal policies and tax measures. This is also one of the recommendations made by the International Monetary Fund (IMF).

The Commonwealth Fund for Technical Cooperation (CFTC) is providing the government with a technical adviser to assist with harmonising the taxes and to recommend ways to improve revenue collection.

The measure that is of most interest to government workers, especially civil servants,

was the Supplementary Appropriation Act. That seeks parliamentary approval to spend 3.5 million dollars to enable civil servants to get their retro-active payments.

Mr. St. Luce said government has always demonstrated in real terms its concerns for its employees. He said since 1977 with the abolition of personal income tax, government has given regular increases to its workers.

He disclosed that the new increases to both civil servants and non-established workers will cost the government an additional 700 thousand each month. He said five months of the backpay will be paid from July first and the other four months sometime later in the year. He said the new revenues collected will not cover the cost of the increase of 8, 10 and 12½ percent.

The Minister noted that while the rates paid in the public service is lower than that paid in the private sector, government workers enjoy some benefits which other workers do not. These include job security and stability and paid sick leave. The Minister called on all government workers to give a fair day's work for a fair day's pay.

ANTIGUA AND BARBUDA

BRIEFS

AIRPORT NAME CHANGE--St John's, Thurs, (Cana)--Antigua and Barbuda's International Airport is to be renamed the Vere Cornwall Bird Airport, as a tribute to the sterling contribution made by the country's 74-year-old Prime Minister to national and Caribbean politics over four decades, the Government announced today. The change of name will take effect before November 1, the country's fourth anniversary of political independence. Information Minister Henderson Simon, in making the announcement said Cabinet had taken the decision in response to a call to this effect by the Antigua Trades and Labour Union (ATLU) which Bird once headed. Bird is the only English-speaking Caribbean leader still in office who was involved in the labour struggles of the 1940s. Simon said that in arriving at the decision, Cabinet had also taken note that other Caribbean islands, namely Jamaica and Barbados, had named ports after distinguished former leaders. [Excerpts] [Port-of-Spain TRINIDAD GUARDIAN in English 16 Aug 85 p 5]

CSO: 3298/962

ARGENTINA

GOVERNMENT REVISES OIL CONTRACT WITH CONSORTIUM

Buenos Aires LA PRENSA in Spanish 20 Jul 85 pp 1, 4

[Text] The Executive Branch approved the complementary protocol to the oil contract with the Total-Deminex-Bridas consortium which increases the investment commitment to a total of \$900 million. It also agreed on a 15-percent increase in the price of the oil to be extracted.

Decree No. 1299 that promulgates the protocol extends the exploitation stage from 20 to 25 years. For the first time, YPF [Government Oil Deposits] is given the option of paying in by-products or crude oil if it does not have the foreign currency for the agreed on payment.

The new measures are directed at incorporating more than 16 million cubic meters of oil from the area granted to this consortium in the southern basin of Tierra del Fuego.

Protocol

The protocol extends the second period of exploration to permit the contractor to do new work using modern geophysical methodology. The exploitation stage was extended from 20 to 25 years and the investment commitment was expanded to a total of \$900 million.

It plans to do 1,400 kilometers of seismic exploration and three exploratory wells. An investment of \$300 million is planned for the Hydra deposit.

As compensation for the expanded investments and "taking into account the fact that the new work will be in deeper waters and under more unfavorable conditions," a 15-percent increase was agreed on in the price of oil to be extracted. For the new "Carina" deposit, the price will be 74.18 percent of the international price.

With modification of the conditions for only one of the two deposits that will be exploited in the concession area, the weighted average price of the total possible production in 15 years will be 71.24 percent of the international price for similar quality oil.

As to gas, a commitment was made to accept a higher rate, conditioned on the possibilities of State Gas. The gas in this area will be used as raw material

for a methanol plant that will be established in Tierra del Fuego by State Gas and Tenneco Rotec S.A. It will use 1.8 million cubic meters per day.

Concession

The relationship between YPF and the Total-Deminex-Bridas consortium began on 26 August 1977 when there was a call for bids for the exploration and exploitation of hydrocarbons in Area I of the southern basin of the National Territory of Tierra del Fuego, Antarctica and the Islands of the South Atlantic based on Law 17.319.

The bids were opened on 20 February 1978 and the consortium of Total Exploration S.A., Deminex Deutsche Erdoelversorgungsgesellschaft mbh, Bridas S.A. and Arfranco S.A. was awarded the bid. This last company left the consortium on 28 July 1981.

On 24 October 1978, YPF and the consortium signed Contract No. 19.944. The document covered an exploration stage of 9 years subdivided into three periods of 4, 3 and 2 years, respectively, and an exploitation stage of 20 years.

As a result of repeated requests from the contractor about the economic adjustment of the contract by Additional Clause No. 1 approved by Decree 1.991 dated 8 August 1983, the articles related to the investment commitment and payment of the contractor were replaced.

Investments

The consortium promised to invest \$27.9 million in the first exploration period compared to \$15.9 million pledged originally. It increased the work to be done to 21 wells instead of the 9 originally planned. For the second period, the contractor promised to invest \$9.5 million compared to \$6.5 million originally and to do 9 exploratory wells.

YPF then modified the terms of the price adjustment formula, reestablishing the original conditions of the contract.

7717

CSO: 3348/901

ARGENTINA

FORMER SIDE HEAD CRITICIZES GOVERNMENT'S OIL POLICY

Buenos Aires LA PRENSA in Spanish 10 Aug 85 p 7

[Text] The former head of the SIDE [Secretariat for State Intelligence], Roberto Pena, harshly criticized the oil policy approved by the government. He stated that "the defense of national interests" in this sector "has been a traditional banner of our party that we are now lowering."

Pena said that the government "will do horrible business" with the oil contracts that have been approved. He stated that, as a UCR [Radical Civic Union] man, he finds it "extremely hard to accept this policy" because "we had earned merits in defense of national interests" in this sector.

The former head of SIDE who, in 1963, was on the investigating committee for the oil contracts signed during Arturo Frondizi's administration stated that his disagreement with the current policy "was one of the reasons I decided to disassociate myself from the government."

In statements made to NOTICIAS ARGENTINAS, Pena said that he is "very surprised" that the oil policy has been approved with these terms. He recalled that when President Alfonsin made the announcement in Houston last 23 March, "it left a very bad impression on me."

After literally stating that "there is a lot of rubbish" in this, he maintained that "first, it is said that the country does not have enough oil reserves and that is not true. Just yesterday the newspapers published that YPF [Government Oil Deposits] reserves are about 400 billion cubic meters which will cover 15 years, a term considered normal by experts."

He added: "Payment to oil enterprises will be made based on international prices. I ask why not based on real costs with a logical yield. The international prices are set by the multinationals themselves and they base them on the most expensive prices, those of the Gulf of Mexico."

He maintained that it is claimed that these contracts with the multinationals "will mean great revitalization in the country. This is not true and seems deceitful to me."

To support his opinion, Pena gave an example. If "in the best of cases, the country obtained 10 million cubic meters more in 4 or 5 years than it now has

and it could export them at \$140 per cubic meter, we would receive about \$1.4 billion during that period."

He noted: "According to what was announced Tuesday, in the best of cases the state will receive 30 percent, 10 percent in privileges and 18 percent in royalties. The remaining 70 percent goes to the multinational companies based on the international price of oil."

He added that "in the best of cases, the enterprises will receive \$980 million and only \$420 million will go to the state which contributes the raw material. It contributes the soil, the oil, even the geophysical and geological research that YPF has done."

Pena asked to revise "the international contracts. To cite just one where there is more difficult extraction, there is the North Sea where the enterprises take 27 percent and the state receives 73 percent."

7717

CSO: 3348/901

ARGENTINA

NORTHEAST PROVINCES BEGIN USE OF GASOHOL

Buenos Aires CLARIN in Spanish 1 Aug 85 p 51

[Text] Corrientes--The use of gasohol began in the provinces of Corrientes, Chaco, Formosa and Misiones.

The national secretary of energy, Conrado Storani, presided over the inaugural ceremony attended by: the governor of Corrientes, Jose Antonio Romero Feris; the governor of Misiones, Ricardo Barrios Arrechea; and representatives of the governments of Chaco and Formosa.

After inaugurating the Gasohol Plan and symbolically cutting the ribbon, all the retail outlets in the provinces of the NEA [Northeast Argentina] will carry the sign: regular and super gasohol.

Conrado Storani held a press conference in the VIP Room of the Fernando Piragine Niveyro Airport when he arrived at the city of Corrientes. He indicated that "with the incorporation of Santa Fe and Entre Rios to the system, planned for the month of October, 12 provinces will provide this fuel."

He also pointed out that in a year--beginning next August--"the production of the NEA provinces will be 70 million liters." He emphasized that this "will go up to 270 million after the plan begins in the provinces of Santa Fe and Entre Rios."

In response to one question, the official was cautious and indicated that only "after a careful scientific and technical study can implementation throughout national territory be considered."

Local Experiment

He noted that this plan "will mean a savings of \$100 million by permitting us to export the gasoline that is saved." He called it "a local experiment" which "must be analyzed in the light of Argentine reality."

He noted: "Implementation of the system is part of the economic and social situation rather than being just an energy problem."

Maintaining that the rates have not changed since the first 2 weeks of June, Storani stated that this "is a loathsome topic but the economic reality is

brutal." He was referring to the "blows" this increase meant for the adjustments implemented by the provinces.

Finally, undersecretary Storani announced: "We will see equipment and machinery for oil exploitation on national roads by 1986."

He added: "The public bidding, evaluation of the proposals and the award will be done in the next 6 months."

Sign Contract

In the Government House, the national secretary of energy, Conrado Storani, signed an agreement with the Corrientes governor, Romero Feris, by which YPF [Government Oil Deposits] grants special credits for fuels and lubricants for the agricultural production sectors. These will have a term of 6 months with 1 month grace and 5 at the set rate.

7717

CSO: 3348/901

BARBADOS

MAJOR PARTY CANDIDATES ABOUT SET FOR NEXT ELECTION

Haynes Opponent

Bridgetown BARBADOS ADVOCATE in English 15 Jul 85 p 1

[Article by Wynslo Phillips]

[Text]

Businessman Mr. Philip Goddard will be contesting the next general elections as a candidate for the ruling Barbados Labour Party in the St. Michael South Central constituency.

His is expected to be the only name on the ballot when the constituency branch meets at the St. Michael School tomorrow night to select its candidate.

The present holder of the seat is the DLP's Dr. Richie Haynes.

A reliable source told the Barbados Advocate yesterday that as a result of Mr. Goddard's name being forwarded as a candidate for nomination the other two candidates have withdrawn their applications.

These candidates were Barbados Business Machines salesman Mr. Don Smith and insurance executive Senator June Clarke.

According to the source, although some of the constituency branch members have reservations about the suitability of Mr. Goddard as a candidate to oppose Dr. Haynes, it is expected that in the interest of party unity he will receive unanimous support.

It was also reported that Mr. Goddard had informed the National Executive Council of the BLP four months ago that he wished to contest the next general elections as a BLP candidate.

Sources said he had indicated that he was interested in being nominated for the Christ Church West Central

constituency currently held by the DLP's Mr. Maurice King.

However, because there were already other contenders for this nomination — Mr. St. Clair Howell, Senator O'Brien Trotman and Senator Herbie Yearwood—the advice was given that Mr. Goddard should seek another constituency.

Senator Trotman eventually won the nomination.

However, Mr. Goddard last night said he had never indicated a preference for any particular constituency, but had placed himself at the disposal of the party.

When Mr. Goddard then submitted his name as a candidate for nomination to St. Michael South Central, Senator Clarke reportedly immediately withdrew her candidature and Mr. Smith followed soon afterwards.

Only last Friday Mr. Goddard announced his resignation as president of the Barbados Chamber of Commerce and Industry, a move which fuelled speculation that he would be soon disclosing his hand on his political ambitions.

Mr. Goddard was re-elected president of the Chamber in May for a second term.

A director of one of Barbados' most successful and highly respected businesses, Goddard Enterprises Limited, and the current chairman of the state-run Pine Hill Dairy, Mr. Goddard is one of a new breed of young businessmen who have been moving into the public service and political arena in recent years.

Review of Slates

Bridgetown BARBADOS ADVOCATE in English 16 Jul 85 p 1

[Article by Patrick Hoyos and Erick Smith]

[Text]

Barbados' two major political parties are nearing completion in filling their roster of candidates to contest the forthcoming general elections.

Elections are constitutionally due by September next year, but with the ruling BLP having 25 of its 27 candidates officially nominated, and one whose nomination is a mere formality, it would seem to be in a position to call an election much earlier than next September.

However, with the Industrial Access Road, various public and private sector housing projects, and the tourist season all expected to provide more employment towards the year-end, the Government may decide to go to the country early in the new year.

The Barbados Labour Party has two constituencies for which no candidates have been officially nominated, St. Michael South Central and St. John. Mr. Philip Goddard is expected to be chosen to stand for St. Michael South Central at the next branch meeting, which had been scheduled for tonight but has been postponed. No reason has been given.

The final slot that the BLP must fill is the St. John constituency, which Leader of the Opposition Errol Barrow currently represents. The candidate who takes on Mr. Barrow is not expected to win.

Tomorrow night the BLP will be choosing its candidate to contest the St. Michael West seat.

The candidates are Amin Nasser and Rev. Sinclair Rudder.

On the other hand, the Democratic Labour Party has three positions to fill to complete their line-up. These constituencies are St. Andrew, which is currently represented by Mr. Lloyd Brathwaite of the BLP; Christ Church West, where the BLP's Mr. Henry Forde is standing for re-election; and St.

Michael East, where Dr. Don Blackman holds the seat.

There has been a cooling of relations between Dr. Blackman and the BLP, with the former indicating some time ago that he had "crossed the Rubicon." Mr. Johnny Tudor had been campaigning in the area for the Dems but it is uncertain as to whether he will carry the party's banner in the constituency at the next elections.

At the same time, should Dr. Blackman decide not to offer himself as a candidate for the BLP in the constituency, sources say that Mr. John Connell, currently serving as Barbados' Ambassador to Venezuela, may get the nod to contest the seat for the ruling party.

While the DLP has not yet named its candidate to contest St. Andrew, it is believed that two would-be nominees, Mr. Clifton Neblett and a public servant are campaigning for the nomination.

The DLP has similarly not named anyone to challenge Mr. Forde in Christ Church West. It seems certain now that Mr. John Daniel, the insurance executive who ran against Mr. Forde in 1981, will not be a candidate next time around.

Both sides are so far fielding four newcomers to the polls although some of them are well-known public figures. The BLP's first timers are Senator O'Brien Trotman (Christ Church West Central), Senator Clyde Griffith (St. Michael North), Senator John Jordan (St. James South), and Mr. George Griffith (St. Philip North). The DLP are fielding Mrs. Maisie Welch (St. Joseph), Mr. Richard Byer (St. George South), Mr. Bobby Morris (Christ Church East Central), and Mr. Edgar Bourne (Christ Church East).

CSO: 3298/963

BARBADOS

SUGAR INDUSTRY FOCUS OF CONCERN, GOVERNMENT ASSISTANCE

Plan for Subsidy

Bridgetown SUNDAY SUN in English 14 Jul 85 p 1

[Text] For the first time in its history the Barbados sugar industry will receive a direct subsidy from Government.

The subsidy is just one more effort on the part of Government to save the local industry from further financial problems and will be introduced under the Sugar Price Support Programme for 1985.

Speaking at the Ceremonial Delivery of Last Canes at Newton Plantation yesterday, acting Minister of Agriculture, Mr Leroy Sisnett, explained that despite some positive signs, the serious debt position of the industry continued to rise and Government, in response to the crisis, had had to introduce measures to aid the industry.

Mr Sisnett identified the industry's problems as the drop in the world market price to less than three United States cents as well as the uncertainty in the United States market created by competition from alternative sweeteners. Furthermore, he noted, World market surpluses continued to be high and this had increased enormously since 1974-1975 to the extent that the European Economic Community had become a major surplus area.

Earnings Reduced

Continuing, the acting minister said: "Earnings from sugar are being severely reduced because of the fall in money value of the European Currency Unit (ECU) against the United States dollar to which the Barbados dollar is tied."

"In response to the crisis, the Government has introduced measures to aid the industry in coping with the dilemma it faces. These measures take the form of a Sugar Price Support Programme which was first introduced in 1982.

"A new element will be introduced in the support package for 1985 when for the first time, a direct subsidy or grant will be made to the industry."

Details of the subsidy would be revealed when the package goes to Parliament for approval, Mr Sisnett added.

Industry Reaction

Bridgetown DAILY NATION in English 15 Jul 85 p 3

[Excerpts]

BARBADOS' SUGAR INDUSTRY LIMITED (BSIL), has welcomed as "wonderful" the news that Government this year intends to give a subsidy to the sugar industry.

News that the industry would receive a direct subsidy this year for the first time, came from Acting Minister of Agriculture, Leroy Sisnett, as he addressed a ceremonial delivery of last canes to Newton Plantation on Saturday to officially begin this year's Crop-Over celebrations.

HEAVY DEBT

Barbados' sugar industry is said to be in debt of millions of dollars with the problem intensifying as the world market price of sugar drops every year.

Commenting on this year's crop, the BSIL executive said the same acreage as was planted last year was being "brought back" with a view of not exceeding the 100 000 tonne sugar production mark.

Mr. Deane said that figure would remain as this country's aim until the world market price recovered from its current all-time low of less than US 3 cents per pound.

He also praised the present rainy spell of weather saying this was good since the crop was now approaching the crucial growing months.

Management Analysis

Bridgetown BARBADOS ADVOCATE in English 26 Jul 85 p 1

[Text]

Barbados' cane sugar agriculture must change its present methods of operation if the industry is to survive.

This warning has come from Mr. Gerry Hagelberg, an adviser on sugar to Government, in an article he presented in the latest issue of the Central Bank of Barbados' Economic Review.

The article is titled: "Some Current Questions of Sugar Policy and Implementation in Barbados."

Mr. Hagelberg noted that Barbadian cane farming (smallholders excepted) is still characterised by absentee ownership, and out of some 130 estates, occupying about 40 000 acres, only about 25, totalling some 5 000 acres, could be regarded as substantially owner-managed.

"The day-to-day running of most Barbadian cane farms is in the hands of a resident manager, a salaried employee, who in addition to a cash remuneration is entitled to free housing, utilities, two domestic servants, and provisions, as laid down in an agreement between the Sugar Producers Federation of Barbados and the Sugar Industry Supervisors Association.

"On farms of more than 200 acres, the manager usually is assisted by one or more overseers with corresponding emoluments and perquisites. The manager in turn is supervised by an agricultural attorney who represents the interests of the owner at a fixed fee per arable acre. A legacy of the day when foreign absentee proprietors were common, attorneys are still employed in some cases even where the owner resides on the farm," Mr. Hagelberg stated.

He noted that the above management system "has not changed fundamentally since Lord John Russell complained in Parliament (Britain) in 1848."

Mr. Hagelberg declared that such a system maximises welfare for the individuals involved but minimised incentives for entrepreneurship, and hence "its appropriateness to modern mechanised mixed farming has to be questioned."

He also noted that the effects of Government's introduction of the Sugar Workers Minimum Wage and Guaranteed Employment Act of 1971 have never been thoroughly evaluated.

"Arguably, it provided full employment for a decreasing permanent workforce (the reduction of which may indeed have been speeded up by it) while impeding the development of a more flexible cost structure.

"It appears to have encouraged the growing of provision crops and vegetables on larger farms, possibly to the detriment of smallholder production, without necessarily benefiting the consumer by lower prices.

"Be that as it may, labour legislation guaranteeing year-round employment, management paternalism and adherence to routine cultivation practices have reinforced the high fixed-cost nature of sugar production in Barbados," Mr. Hagelberg said.

He declared that the need to change this mode of operation as the fortunes of the industry declined in recent years has been heightened by the difficulty of the industry in borrowing money to finance its operations.

Mr. Hagelberg suggested that "a realistic medium-term target" of the industry would be to transform the estate sector into farm units employing four to five permanent employees per 100 hundred acres of cane, which might work out to a total labour force of 1 600 to 2 000 on 40 000 acres.

The present permanent labour force is just over 4 000 persons.

Walcott's Views

Bridgetown BARBADOS ADVOCATE in English 20 Aug 85 p 1

[Excerpts] A veteran trade unionist does not think nationalisation of the sugar industry will help to solve the problems of that sector. However, Mr Frank Walcott, general secretary of the Barbados Workers Union (BWU), is of the view that the time has come for a renewed look at the ownership pattern in the industry.

Mr Walcott told participants and officials of the Barbados Sugar Industry Limited attending the opening ceremony that financing was the area of sugar production of most concern to the BWU.

He said the BWU was on record as having spoken out against the disbanding of the various funds accumulated through levies, but which could have acted as a buffer in times of difficulties.

"We have since seen the serious capital shortage in the industry, which seems not to have been assuaged by the mammoth injection of subsidies. We must realise, however, that there is a limit to which public funds can be used, either to guarantee private investment or to subsidise that investment," he said.

Neither is the BWU satisfied that the industry had the capacity to repay the outstanding debts. It was therefore important, Mr Walcott said, that the entire question of financing the industry be given full consideration.

Mr Walcott believed the time has come for a very serious investigation of the sugar industry, with a view to determining its future. "Government must not burke the task of setting up a team of experts in all areas of sugar production to carry out a public investigation of this important industry," he said.

Rise in UK Quota

Bridgetown CANA in English 1610 GMT 28 Aug 85

[Text] Bridgetown, Aug 28--Barbados' quota of sugar exports to Britain has been increased by 900 tonnes from 1985, bringing it to 54,000 tonnes, industry authorities here confirmed today.

Managing Director of the Barbados Sugar Industry Limited Errie Deane said the hike resulted from a permanent shortfall by Trinidad and Tobago. Port-of-Spain's quota was divided among the African Caribbean and Pacific (ACP) group countries linked to Europe under the Convention.

So far this year, Barbados has shipped 39,000 tonnes of sugar to Britain and another 14,000 tonnes is due to leave shortly, Deane said. Deane said the remaining 6,500 tonnes of sugar in storage here could well be shipped to the United States which was still to fix its quota for the 1985-86 year.

CSO: 3298/964

BARBADOS

ECONOMIC GROWTH PROJECTION CUT FOLLOWING SLOW SECOND QUARTER

Bridgetown CANA in English 2223 GMT 26 Aug 85

[Article by Reudon Eversley]

[Text] Bridgetown, Aug 26--A slowdown in the Barbados economy during the 1985 second quarter has forced the Central Bank to revise its economic growth projection from two to one percent for the entire year.

Dr Delisle Worrell, the bank's research director, made the disclosure in the company of [bank] Governor Dr Courtney Blackman at a news conference called to brief reports on the performance of the economy from April to June.

A sharp decline in tourist arrivals and a continuing slump in the manufacturing sector forced the lowered growth forecast. If we have no other surprises, we will end the year at about one percent growth, Dr Worrell said.

The economy grew in real terms last year by 2.9 percent. It was the first real growth since 1980 when the effects of recession in the industrialised world started to set in. A vast improvement in the vital tourist industry was largely responsible for the turn-around.

Dr Blackman said unemployment, which stood at 17.4 percent at the end of the first quarter had probably risen by June due to more lay-offs in the manufacturing sector. He was unable to give an updated figure.

Tourist arrivals, which grew by 10 percent up to the end of March, were up only 2.2 percent by June compared with the corresponding six-month period in 1984.

The main bright spot in the economy during the quarter under review was continued growth in the modest domestic petroleum sector, where crude oil production at the end of June was 11 percent higher when compared with the same time last year. les of natural gas increased by 21.8 percent to 6.7 million cubic metres in June.

At current rates, crude oil production should reach 700,000 barrels by year-end or about 55 percent of local consumption, Dr Blackman said.

The island's balance of payments position was also in a stronger position than at June last year, largely due to inflows from overseas borrowing--in particular the proceeds of a Japanese yen bond placement worth U.S. 19.3 million dollars and increased earnings from tourism.

The continuing problems facing the local manufacturing sector stem from ongoing difficulties in exporting to the Caribbean Community (Caricom), the market for which local industries had geared production.

Dr Blackman said while the economy was struggling, Barbados has its head above water.

CSO: 3298/964

BARBADOS

GOVERNMENT UNHAPPY WITH U.S. FARM LABOR ACTION

Bridgetown DAILY NATION in English 16 Jul 85 p 1

[Text] The number of Barbadians participating in the United States Farm Labour Programme could be cut.

But, a top official within the Ministry of Labour told the DAILY NATION that the matter would be taken up at government-to-government level if an attempt is made to cut the number of Barbadians in the manner that has been suggested.

According to the official, some time ago, personnel from the programme disclosed that they were proposing to include Grenada in the American labour programme, so that nationals of that country could benefit from the scheme.

He added that Barbados was asked if it would support this move; and in the spirit of regional integration, Barbados offered full support. Now, he said, it had been discovered that there was an attempt to cut significantly the number of Barbadians to make way for the inclusion of the Grenadians.

"This was not our understanding at all. We are not opposed to giving up some of our number to make way for others from another Caribbean country. What we are against is the way we understand they want to do it.

"It seems as though Barbados will have to give up some of its places while other countries will not. We cannot accept that. It will have to be that we all share some of our places for Grenadians or we will speak out against it," said the official.

Over the last two weeks, United States labour officials have been in the island selecting people to cut sugar cane in the United States. Approximately 500 Barbadians participate in this scheme annually.

"What makes it even more unacceptable is that they have been telling us that the standard of our workers is so high that we have a much lower rejection rate than any other Caribbean country," said the official.

Contacted for a comment, Minister of Labour, DeLisle Bradshaw, pointed out that this department was working toward making the package offered to Barbadians under the United States programme as attractive as the Canadian Farm Labour Programme.

"I cannot say now how many Barbadians have been selected, since the final figure has not yet been told to me; but what I can say is that we will be going all out to see that as many Barbadians as possible benefit from the American programme."

CSO: 3298/964

BARBADOS

POLICE FORCE TO EXPAND; OPPOSITION CLAIMS CREDIT

St John Announcement

Bridgetown DAILY NATION in English 17 Jul 85 p 1

[Text] Some 150 new places are being created within the Royal Barbados Police Force (RBPf).

The announcement was made by Prime Minister Bernard St John yesterday as he moved the second reading of a bill to amend the Civil Establishments Order in the House of Assembly yesterday.

The Prime Minister said that it was time that Government's position on the matter was made clear, since there had been much discussion on the matter.

He said that Government had accepted the request for additional posts in the clear understanding that while it might cost a considerable sum for these new posts, this would be mitigated by reducing the amount of overtime now paid to members of the force.

This new move, he explained, would create additional opportunities within the department, while at the same time reducing the hours of work of personnel.

"We feel this is a better way of spending the money than in overtime allowances," said Mr St John.

The force, he said, would now be increased to the minimum number needed to undertake the duties of the department--between 1 150 to 1 200.

At the same time, Mr St John said, these extra posts would allow for an increase in the number of middle-management persons within the police force, strengthening its supervisory personnel.

Mr St John said that a decision had been taken to establish the licensing section within the Ministry of Transport and Works (MTW) and since these duties used to be performed by policemen, it would mean that "additional posts will be released for filling by the police."

DLP Reaction

Bridgetown DAILY NATION in English 17 Jul 85 p 14

[Text] Government's decision to increase the size of the Police Force was a result of the alertness of the Opposition Democratic Labour Party (DLP).

Opposition parliamentarian Dr Richie Haynes told the House of Assembly yesterday that it was only a few months ago that the DLP had to take to the streets and in that Chamber to demand that the size of the force be increased.

According to him, the Opposition felt there were clear signs indicating that public policy should be targeted toward more personnel and better facilities and equipment for the Royal Barbados Police Force (RBPF).

He charged that Government's reaction was that there was no need for an increase in the size of the force, and he now hoped that the order which at the same time was being debated would in fact meet the requirements of the Commissioner of Police.

In response to the Prime Minister's statement that by the end of the current financial year some 900 of the island's acting civil servants would be placed in established posts, Dr Haynes told the House it had been said previously that the reason why there were so many acting posts was because Government had planned to change the retirement age from 60 years to 65, and now that this had been done there were still "thousands of people in the public service holding temporary posts" with little job security.

"A firm decision must be taken by Government on this matter," he said.

He said that the Civil Establishment Order being debated at the time would accommodate a few, but there were many more who didn't know whether they would be appointed.

For these people, he said, making future plans was difficult since obtaining mortgages was very hard, and added that this should not be the case since there was no reason why these people should not be appointed.

All this, he said, had contributed to the low morale now existing among civil servants.

CSO: 3298/964

BARBADOS

BRIEFS

CANADIAN OIL-DRILLING AID--Bridgetown, Aug 23--Barbados and Canada today signed an agreement under which the state-owned Petro Canada International will supply CAN 3 million dollars worth of equipment and materials to support a drilling programme by the state-owned Barbados National Oil Company (BNOC). The package, under a continuing programme of assistance to Barbados' fledgling oil industry will also cover technical assistance, training for BNOC staff and completion of a gas utilisation study that will assist the government in devising an appropriate gas development strategy. Speaking at the signing ceremony, Natural Resources Minister Dr Richard Cheltenham noted that crude oil production had grown by leaps and bounds since government nationalised the industry in 1983. He said Canadian aid played a key role in the success. Barbados at present produces over half of its petroleum requirements. Output in the first half of this year amounted to approximately 337,000 barrels, up from 304,000 barrels for the corresponding period last year. Six wells will be sunk to a depth of 6,500 feet under the drilling programme covered by the agreement. [Text] [Bridgetown CANA in English 2322 GMT 23 Aug 85 FL]

AUSTRALIAN ENVOY--High Commissioner of Australia to Barbados Mr E. Michael Alexander Squires Landale yesterday presented his credentials to Governor-General Sir Hugh Springer at Government House. On Monday the High Commissioner designate paid a courtesy call on the minister of foreign affairs, Senator Nigel Barrow, at the minister's Marine House offices. [Text] [Bridgetown BARBADOS ADVOCATE in English 21 Aug 85 p 2 FL]

GOVERNMENT JOBS--The Barbados Government has decided that by the end of the financial year at least 900 of the 1 500 acting public servants must be placed in permanent posts. Speaking on a bill to amend the Civil Establishments Order in the House of Assembly yesterday, Prime Minister Bernard St John said that a look had been taken at the situation and it was decided that a number of posts would have to be established. Mr St John said that initial steps had already been taken in relation to the amalgamation of the Rates and Taxes Department and the Land Valuation Department and this could only result in greater efficiency in the department. He said that by April Government hoped to go further with the reorganisation in this area where all matters relating to land could be administered by single department. [Excerpt] [Bridgetown DAILY NATION in English 17 Jul 85 p 1]

COMPUTER FIRM CLOSING--After sending home 180 workers four months ago, Barbados' second largest manufacturer of computer components, Corcom West Indies Limited, is closing its doors putting more than 250 Barbadians out of work. A top-level Government source told the DAILY NATION yesterday of Corcom's decision after reports early in the day suggested that the Newton Industrial Park company would be pulling out of Barbados. So far this year the electronics industry in Barbados has given employees very little to be confident about. On January 25 TRW sent home 18 workers, followed by Corcom, while on April 2 Transitor Limited also at Newton Industrial Park laid off 80 of its workers. Then in May, Intel sent 400 of its workers on vacation. [Excerpts] [Bridgetown DAILY NATION in English 30 Jul 85 p 1]

CSO: 3298/965

BRAZIL

UPDATE: REGIONAL DIFFERENCES, CANDIDATES IN MAYORAL ELECTIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Aug 85 p 62

[Text] More than just revolving around the name of the future mayor, the election campaign in the capitals, which will in practice be firmed up at the end of this week with conventions throughout the land, it will be the race for governor next year that will be at stake in November. This is more than enough reason for the parties to plunge into the fray with all available resources, even with coalitions that seemed impossible earlier, such as the union between the PDT [Democratic Worker's Party] and the PDS [Social Democratic Party] in Florianopolis and Cuiaba. Fully aware that this will be a real test among the voters, the parties and their candidates will try to resolve internal disagreements in order to chase after each and every vote. The Democratic Alliance, which guaranteed the election of Tancredo Neves in the electoral college, meant little in the intricate process of picking candidates on the municipal level. Among the big capitals, only Porto Alegre stuck to the coalition between the PMDB [Brazilian Democratic Movement Party] and the PFL [Liberal Front Party], picking Francisco Carrion Junior to run for mayor and probably Jose Fogaca for deputy mayor--a name that has not yet been checked out. Both of them come from the PMDB since the PFL arrived at the conclusion that it had no chance. The small and new parties likewise did not escape the race and Rio de Janeiro is a good example of the confusion that they can cause among the voters. In the Rio de Janeiro capital, candidates will be nominated by PASART (Socialist, Agrarian, and Renewal Labor Party), the Tancredo National Party, the Nationalist Party, the PDC [Christian Democratic Party], the PF [expansion unknown], in addition to the big associations and guilds. Sao Paulo--where there will be a tough clash between the PMDB and the PTB-PFL coalition--still has room for the candidates of the Humanist Party and the PDC. The situation is calmer in Salvador with

candidate of the PMDB, Mario Kertesz, who is supported by almost all of the other parties. These regional differences and the names of the chief candidates are illustrated in this map of elections in Brazil, prepared on the basis of a survey conducted by the network of branches and correspondents of O ESTADO throughout the country.

1. Porto Alegre

PMDB Nominates Candidate and PFL Supports Him

Porto Alegre is found to be the only one among the big Brazilian capitals to uphold the Democratic Alliance on the municipal level but only the PMDB will nominate candidates: Francisco Carrion Junior, for mayor, and probably deputy Jose Fogaca for deputy mayor. The PFL admitted that it had no chance of victory. The PDT made up its team with former deputy Alceu Collares and former councilman Glenio Peres, whereas the PT [Workers Party] came out with professor Raul Pont and architect Clovis Ilgenfritz da Silva.

The PDS will pick its candidates at tomorrow's convention but the names of deputy Victor Faccioni and Reginaldo Pujol are already certain. The PCB [Brazilian Communist Party] and the Communist Party of Brazil will not run any candidates, preferring to give their support to the candidates of the PMDB who will be confirmed during the Sunday convention.

2. Florianopolis

Edison Andrino Is Preferred Candidate

The political picture has been practically cleared up in Florianopolis since the four major parties have already held their conventions. The PMDB nominated Edison Andrino to run for mayor and Pedro Medeiros for deputy mayor; the PDS picked Francisco de Assis Filho and Licio da Silveira; the PTB [Brazilian Labor Party] picked Jose Mauro Ortiga and Oldier Caldas and the PT selected Jorge Lorenzetti and Lucia Maria Pereira.

The PFL will hold its convention on Sunday but Enio Branco and Cesar Souza are practically already in. Coalitions might also spring up in the capital of Santa Catarina: The PDT is studying the possibility of getting together with the PDS, something which would be decided by Sunday, when the party holds its convention. The PCB in turn will give its support to the PMDB which is leading in the public opinion survey.

3. Curitiba

Requiao and Lerner Clashing

Deputy Roberto Requiao, the PMDB candidate, will be the main adversary of former mayor Jaime Lerner, of the PDT, in the race for mayor of Curitiba.

The PDT approved the name of Lerner on Monday and entered into a coalition with the PFL which will nominate the candidate for deputy mayor. But former governor Paulo Pimentel also looks very strong as he runs for the PDS. His candidacy will be made official on Saturday. The PCB already picked attorney Marcelo Jugend. The PT picked another lawyer, Edesio Passos. Finally, another two parties are looking into the possibility of getting together. By 16 August, the Communist Party of Brazil wants to work out an accord with the PMDB, while the PTB wants an agreement with the PDT/PFL.

4. Sao Paulo

Eight Candidates by Sunday

Sao Paulo has five official candidates for the office of mayor and may have another three starting on Sunday. Janio Quadros is running for the PTB-PFL coalition; Fernando Henrique Cardoso for the PMDB with the support of the PCB and the Communist Party of Brazil. Adhemar de Barros Filho was nominated by the PDT; Eduardo Matarazzo Suplicy was nominated by the PT-PSB coalition and Ana Rosa Tenente, a young lady of 24, was picked by the Humanist Party.

The following candidacies will be confirmed on Sunday: Deputy Ruy Codo, by the PL (Liberal Party); businessman Jose Maria Eymael, by the PDC; and the candidate who will have the support of the PDS whose convention members will have to choose between two names: Armando Pinheiro or Salim Curiati.

5. Rio de Janeiro

People Will Have 12 Choices

The people of Rio de Janeiro will have a big job when they vote in November--there are that many candidates parties running in this election. The PASART will enter the fray with Aarao Steimbruck; the People's Mobilization Party with Sergio Bernardes; the Tancredo National Party with Carlos Imperial; the PDC with Clemir Ramos and Leci Brandao and the PF with Sebastiao Nery.

The PFL came out with Rubem Medina, but has not yet picked its candidate for deputy mayor; the PTB selected Fernando de Carvalho; the PDT wound up with Roberto Saturnino while the candidate for deputy mayor has not yet been picked; the PT should be expected to run Wilson Faria. In the PMDB, there is a big clash between Artur da Tavola and Jorge Leite, while the decision within the PDS will have to be made between Agnaldo Timoteo and Heitor Furtado.

6. Belo Horizonte

Mauricio Campos Leading in Public Opinion Survey

In Belo Horizonte, the PT nominated the economist Virgilio Guimaraes and the PDT picked former mayor Jorge Carone. The PDS and the PFL will approve their candidates tomorrow: Pastor Glycon Terra Pinto and federal deputy Mauricio

Campos. The PMDB will hold its convention on 11 August to select one out of six hopefuls. The favorites are state deputies Luis Otavio Valadares, Joao Pinto Ribeiro, and Paulo Ferraz. The Humanist, Brazilian Communist, Christian Social, and Brazilian Labor parties also want to run their own candidates. The public opinion surveys point to Mauricio Campos as the favorite with 36 percent.

7. Vitoria

Internal Fight Harms PMDB

In Vitoria the PMDB as of now has only held a preliminary convention which serves to create splits in the party. The slates were headed by lady deputy Rosilda de Freitas and by former Industry and Commerce Secretary Hermes Laranja. The two will face each other during the official convention on Sunday. The PDS is nominating a single candidate, former mayor Crisogono Teixeira da Cruz who has the support of the PTN and the PTB. The PDT is divided and does not yet know what to do next: One group wants a party candidate and another group prefers the support of the candidate of the other party. The PT already nominated Dr Victor Buaiz, with the support of the small party. The Left-wing parties, the PCB and the Communist Party of Brazil, have not yet been heard from on that score.

8. Salvador

Mario Kertesz Is Almost Unbeatable

The PMDB, the PT, the Communist Party of Brazil, and the PCB already held their conventions for the November elections in Salvador. As of now, the name indicated as being the strongest candidate is Mario Kertesz, who is running for the PMDB and who got the support of the two communist parties, the PSB [Brazilian Socialist Party], and the PL and who should also still corral the PDT and the PFL. Right now, only the PT has gotten far enough to pick its own candidate to run against Kertesz; that man is Jorge Almeida. But, by the weekend, the PTB will also enter the race, together with the PDS, confirming the candidacy of former mayor Edivaldo Brito. Kertesz appears to be so far ahead that the PFL candidate, Franca Teixeira has already joined him.

9. Aracaju

Accord Strengthens Jackson Barreto

In Aracaju, Democratic Alliance is considered most likely to win the city elections. The PMDB-PFL agreement, further supported by the two communist parties (the PCB and the Communist Party of Brazil), picked as its candidate federal deputy Jackson Barreto, from the PMDB, who will be approved at the convention scheduled for this Saturday. The PDS will run Gilton Garcia, likewise a federal deputy. The PT is putting its money on Marcelo Deda, the PDT is going with Carlos Aires de Brito, while the PL has nominated

state deputy Nelson Araujo (a former member of the PMDB). All of these parties have not yet had their convention. Among all of them, the PTB is the party that is most behind in the selection process. It is still looking for a candidate.

10. Recife

Vasconcelos Only Causing Confusion

Recife is probably experiencing the most confused situation in the country. Its principal candidate, Jarbas Vasconcelos, left the PMDB to run for the PSB as mayoral--but continues to be supported by a wing of his party that is linked to the state leadership. The municipal PMDB however prefers Sergio Murilo who could be supported by the PFL. In this case, there would only be a "white coalition" since the PMDB state leadership would never go along with that. The municipal directorate, in turn, will not even listen to any talk about a coalition with the PSB. It will finalize the situation only during the convention on Sunday.

The others are doing well in this row: The PDT with Joao Coelho; the PT with Bruno Maranhao; the PCB with Roberto Freire; and the PDC with Augusto Lucena (supported by the PDS).

11. Natal

Weekend Will Be Decisive

In Natal there will be a flood of conventions over the weekend. Tomorrow the PTB will pick Miriam de Souza and Edmilson Lima (formerly of the PFL); the PDS and the PFL approves the coalition that came up with the team of Wilma Maia and Pedro Lucena (ex-PMDB). Sunday: The PMDB will nominate Garibaldi Alves and Roberto Furtado. Monday: The PCB will officially announce the coalition with the PMDB, thus not running against Gileno Guanabara and Sergio Dieb. Wednesday: The Communist Party of Brazil will decide to support the PMDB. The PT--which has not yet picked the date for its convention--may wind up with Hugo Manso Junior and Lincoln Moraes.

12. Joao Pessoa

PTB Continuing Out in Front

In Joao Pessoa, no party has as yet held its convention to pick its candidates; The PTB will hold its convention next Sunday to nominate Marcos Odilon Ribeiro Coutinho who came from the PMDB. The PMDB in turn has scheduled its convention for 14 August when it will nominate federal deputy Carneiro Arnaud who will have the support of the PFL, of Governor Wilson Braga, and of the PDS. Another four candidates will also be running for the office of mayor in Joao Pessoa: Wanderley Caixe for the PT, Iremar Bronzeado for the PCB, Joselio Paulo Neto for the PDT, and Domingos Mendonca Neto for the PSB.

Marcos Odilon, of the PTB, considered the strongest candidate, has been campaigning for quite some time now, whereas Carneiro Arnaud was selected only a few days ago by the PMDB-PFL-PDS coalition.

13. Maceio

City Has Three Favorites

Three candidates have already been nominated officially by its parties and are campaigning in Marceio. Djalma Falcao is running for the PMDB, Nilson Miranda will lead the slate of the PCB, and Reinaldo Cabral is running for mayor for the PT. But other names will be confirmed during the next several days. On Saturday, the PDT convention will pick as the party candidate the TV host Sabino Romariz. On Monday, the PFL will hold its convention to confirm Joao Sampaio. The PTB will come out with former mayer Sandoval Caju. Public opinion survey results have not yet been disclosed. Even so, Falcao, Romariz, and Sampaio already seem to be the favorite candidates.

14. Fortaleza

Tavora and Cals with Albuquerque

In Fortaleza, the PMDB, the PL, and the PDT already picked their candidates for the city elections at their conventions. Next Saturday, the PT will meet to pick the name of lady deputy Maria Luiza Fontenele officially. On Sunday, the PTB will nominate Jose Aragao Albuquerque Junior, who is the protegee of colonels Virgilio Tavora and Cesar Cals.

The PL has Sergio Philomeno Gomes and the PDT has deputy Manoel Arruda. Deputy Paes de Andrade, nominated by the PMDB, is the favorite to become mayor of the capital of Ceara. The PFL will hold its convention on 13 August and will have to choose between deputies Lucio Alcantara and Evandro Ayres de Moura, the latter being a former mayor of the city.

15. Teresina

Quiet Selection, Result Anticipated

Teresina goes into the elections with its parties having picked their candidates without any traumas. Even those that have not yet held their conventions have some sure names to run for mayor. That is true of the PT, with Antonio Jose Medeiros; the PFL, with Atila Freitas Lira; the PTB, with Antonio Carlos Rezende. The PDC, which had its convention earlier, picked Newton Nunes de Lima. A similar situation prevails in the PMDB which picked Raimundo Wall Ferraz, and the PDT, with Jonatas Nunes. Political observers and voters believe that Raimundo Wall Ferraz is the preferred candidate because his running mate is deputy Deoclecio Dantas, the man who got the most votes in past elections. But, like any election, there can be surprises.

16. Sao Luis

Gardenia, From PDS, Can Win

Here are the candidates in Sao Luis: Haroldo Saboia, state deputy (PMDB); Gardenia Maria Goncalves (PDS); Jackson Lago (PDT); Luis Soars Filho (PT); Haroldo Tavares, engineer and former mayor of Sao Luis (PDC); Manoel Ribeiro, councilman (PTB); Emmanuel Viana (PMB [Brazilian Municipalist Party]); Edvaldo Holanda, state deputy, or Jaime Santana (PDC). The wife of former governor and senator Joao Castelo, Gardenia Maria Goncalves, of the PDS, is at this time the favorite candidate for the office of mayor of Sao Luis followed by Dr Jackson Lago, of the PDT, and state deputy Haroldo Saboia of the PMDB. The PMDB had been considered the strongest party but there was a split following the victory of Haroldo Saboia at the convention so that Eptacio Cafeteira and Carlos Guterres decided to support the PDT.

17. Belem

Campaign Has Not Yet Begun

The PT and the PMB (Brazilian Municipalist Party) will be the first parties to hold their conventions to pick candidates to run for mayor of Belem this Saturday. On the next day, the PDS and the PDT will hold their conventions. The PFL will gather its convention delegates on 14 August and the PTB will do the same thing on 15 August. Almost all of them have already picked their candidates. Victory at the polls, according to all expectations, will go to the candidate to be selected by the PMDB on 14 August, that is, federal deputy Fernando Coutinho Jorge. The PT will nominate councilman Humberto Cunha. The PMB will nominate councilman Agostinho Linhares; and the PFL will run federal deputy Dionisio Hage. The PDT will come out with Armando Soares and the PTB with Jose Abdon. The PDS will have to choose between Ronaldo Passarinho and Antonio Amaral.

18. Macapa

Confused Situation, Divided Power

Conventions in the capita of the Territory of Amapa will begin next weekend. Saturday, the PDS convention, to be followed on Sunday by the PT, PMDB, PDT, and PFL, and the PST [Social Workers Party] on 14 August. The situation in Macapa is confused, mainly since Jorge Nova da Costa became the new governor of the territory; he tried to divide power between the PMDB and the PFL. The two parties, with Raimundo Azevedo Costa (PMDB) and federal deputy Geovani Borges (PFL), are strong competitors. But the only public opinion survey conducted so far in Macapa, by the local television station, TV Amapa, pointed to councilman Julio Maria Pinto Pereira, the candidate of the PDT.

19. Boa Vista

Civilians Unite Against Military

Getulio Souza Cruz (PFL), the first civilian governor of Roraima since 1964, will break with the Democratic Alliance which picked Silvio Leite as candidate for mayor of Boa Vista. The officer Otamar de Souza Pinto, of the PTB, is also very strong since he has already been governor and pursued a populist policy that yielded him good dividends. He will however have to win in the outlying districts. The PDT picked Helio Campos and the PDS is expected to announce the name of Chagas Duarte next Sunday. Elections will be held in seven townships in the state's interior for the first time.

20. Rio Branco

Only Four Parties Running in Election

Out of the 29 parties authorized to run in the November election by the TSE [Supreme Electoral Court], only four will be running for the office of mayor of Rio Branco, in Acre: PMDB, PDS, PFL, and PT. The PMDB candidate, deputy and the state's Industry and Commerce Secretary Adalberto Aragao, is out in front and in the lead for nomination. Considered to be a conservative, Aragao was picked by the party only after a tough internal fight involving five contenders. One of the losers, Arlindo Ferreira da Cunha, left the PMDB and managed to fill a vacancy as the candidate of the PFL. The PDS selected deputy Luiz Pereira who is considered a good vote-getter, and the PT nominated Raimundo Cardoso.

21. Porto Velho

Rondonians Betting on Future

The municipal elections of Porto Velho are fundamental for the destiny of the parties in 1986 when Rondonia will for the first time have the right to pick its governor. The mayoral race will be polarized between former federal deputy Jeronimo Santana (PMDB) and federal deputy Francisco Chiquilito Erse (PFL). Both of them are going to have to win at the party conventions this weekend, when Santana will run for nomination against Tomas Correia and Espiridiao Teixeira Tejas and Chiquilito Erse against former mayor Francisco Lopes de Naiva. The PDS nominated Jose Adelino da Silva and the PDT hopes to finalize the affiliation of federal deputy Leonidas Rachid Jaudy so as to confirm him as candidate.

22. Manaus

PCB Accepts Coalition

Four candidates chosen at the conventions held last month will run for the office of mayor of Manaus. Aloysio Nogueira for the PT; Theodoro Bottynele, for the PDT; Amine Lindoso, for the PDS; and Manoel Henrique Ribeiro, the candidate of the PMDB-PFL-PTB-Communist Party of Brazil-PCB coalition. That

leaves only the convention of the PCB to be held and it will have to approve the coalition with the Democratic Alliance. The favorite among the candidates is Manoel Ribeiro who, in addition to getting support from the PMDB, the PFL, the PTB, the Communist Party of Brazil, and the PCB, is the candidate of Governor Gilberto Mestrinho. The governor has been working for him in the residential areas.

23. Cuiaba

PDS and PDT Together

Popular Union, as the PTB-PFL coalition was called in Sao Paulo, is also the name of the PDS-PDT alliance that will be running for the office of mayor of Cuiaba. The PDS wound up with Dr Gabriel Neves as mayoral candidate and the PDT nominated lawyer Silva Freire for the office of deputy mayor. These two will be together in the campaign's first meeting which will also be attended by Governor Leonel Brizola. In the opinion of Governor Julio Campos (PDS), this is a "great Brazilian political leader." The PMDB in turn nominated deputy Dante de Oliveira.

24. Campo Grande

PMDB Convention Annulled

The situation of the PMDB as regards the Campo Grande city elections is rather confused. After the first convention, held on 7 July, was annulled, the party is scheduled to hold a new convention next Sunday. The candidate has not yet been picked. On Saturday, the PDT will hold its convention to approve federal deputy Sergio Cruz (ex-PMDB). On 14 August, the PFL will pick one of two names: Federal deputy Levy Dias (the front-runner) and councilman Giordano Neto. On 14 August, likewise, the PT will meet to pick its candidate whose name is as yet uncertain. On 15 August, the PDS will decide between deputies Albino Coimbra and Nelson Trad, lady council member Marilene Coimbra and former mayor Heraclito de Figueiredo. Only the PCB has not yet set its convention date since it is seeking a coalition with the PFL or the PMDB.

25. Goiania

Interest Lacking in Goias

The mayoral race in Goiania may be the one that has aroused the least interest in Brazil. The team of Daniel Antonio and Pedro Ludovico, of the PMDB, has the support of all political leaders throughout the state and should get 80 percent of the votes. The PT, the PDT, the PTB, and the Liberal Front itself have not yet picked their candidates and, if they do, this will be only for the record. An internal fight between the various groups almost completely changed the political course of the elections in Goias. The teams of Daniel Antonio and Moises Abraao were competing at the convention for the selection of the new PMDB directorate. The latter was able to win the first round with the support of Iris Rezende. During the second round, Daniel Antonio, with the reports of senators Henrique Santillo and Mauro Borges, who threatened to leave the party in order to run for mayor for the PDT, moreover with popular support, managed to change his position from loser to winner.

BRAZIL

BACKGROUND, ROLE OF ECONOMIC ADVISER ROSEMBERG

Rio de Janeiro O GLOBO in Portuguese 29 Jul 85 p 16

[Article by Miriam de Aquino, Flavio de Mattos and Ribamar Oliveira:
"Rosemberg, an Independent Critic Guiding Sarney"]

[Text] Brasilia--When the Planalto Palace released the list of the economists who would participate in a discussion with President Jose Sarney at Granja do Torto last May, two of the names included caused a certain surprise and curiosity. They were those of Ibrahim Eris and Luiz Paulo Rosemberg, both former advisers to former minister of planning Delfim Netto.

Apart from the links with Delfim Netto, the surprise was also a result of the fact that both Eris and Rosemberg had had no affiliation with any movement giving President Sarney political support. Nor were they even members of the groups of economists with representatives in the administrative apparatus of the government of the New Republic.

At the conclusion of that meeting, Sarney invited the pair to come to the Jaburu Palace, where he was living at the time, that same evening. On that occasion, the president and his family were celebrating the birthday of his daughter Roseana. He took this opportunity to talk with Eris and Rosemberg more informally.

After that meeting, Rosemberg received an invitation to serve as Sarney's economic adviser and to work directly with the president at the Planalto Palace. From that time to the present, he has been acquiring increasing weight in the internal government discussions, and he has been a participant in an increasing number of economic decisions. But who is this economist whose name appears ever more frequently in economic news?

It is already known that Luiz Paulo Rosemberg gained access to the Torto meeting thanks to businessman Mathias Machline, who is president of the Sharp Group and a personal friend of Sarney. What was not known at the time was that the president of the republic already knew Rosemberg, and had talked at length with him prior to the Torto meeting.

Rosemberg was introduced to Sarney by Machline, whom he had provided with economic advice. Immediately afterward, the president invited the economist to dine with him, and they talked for almost 4 hours, discussing all of the pertinent aspects of the Brazilian economy. Concerning this talk, Rosemberg has said:

"We talked about everything. About how to organize the government, and also about all aspects of the economy."

At the Torto meeting, the positions adopted by Rosenberg were already, therefore, familiar to the president of the republic.

Luiz Paulo Rosenberg is 40 years old, is divorced, and has three children. He was born in Sao Paulo, the son of a famous physician, David Rosenberg, who was suspended by the 1964 revolution because of his affiliation with leftist parties. Luiz had his primary, secondary and scientific education at the Fernao Dias Paes Educational Institute.

While still pursuing his scientific course of study, Rosenberg attended a lecture by Prof Celso Furtado which absolutely fascinated him. By the end of the lecture, he had already decided to become an economist. This was a choice which was confirmed, moreover, by a vocational aptitude test when he was still an adolescent. The test suggested that he should pursue a career in economics or journalism.

Rosenberg enrolled in the Faculty of Economics at Sao Paulo University (USP), from which he graduated. In 1972, he won a scholarship to Vanderbilt University, in the North American state of Tennessee, where he earned a master's degree and a doctorate. His doctoral thesis dealt with the aviation company market. He remained at Vanderbilt University to teach, as an assistant to the economist Prof Georgescu Roegen, a major influence in his life.

On returning to Brazil, Luiz Paulo Rosenberg became a lecturer in the Department of Economics at the University of Brasilia (UnB), where he stayed 6 years. There he made friends but also had many disputes with other professors. Economist Lauro Campos, who was a colleague of his in that period as well as a personal friend, recalls that Rosenberg did not get along very well with the other professors.

"He is such an intelligent individual that he rather intimidated some of his colleagues at the UnB in that era," Lauro says.

Rosenberg also clashed with Jose Carlos de Azevedo, then rector of the UnB. During the major crisis experienced by the university in 1977, with the suspension of classes for more than 3 months and the invasion of the campus by the Military Police, Rosenberg served on a five-man commission appointed to negotiate a solution to the impasse with the rector. Azevedo could never pardon the economist for this activism, and when Rosenberg was invited to lecture at the Technical Institute of Aeronautics (ITA), Azevedo simply refused to allow him unpaid leave from the UnB, such that he was forced to resign from the university.

From the ITA, Rosenberg went to the Superintendency of the National Institute of Economic and Social Research (INPES) in August of 1979, at the invitation of then minister Delfim Netto. In time, he also came to head the Secretariat of the Energy Commission at the Planning Secretariat. According to the former planning secretary in that ministry, Jose Augusto Arantes Savasini, Rosenberg

was mainly responsible for the theoretical formulation from which the energy program adopted by the Figueiredo government after the second oil crisis resulted. The basic concept of using the price structure as a mechanism to force the substitution of energy from alternative sources for imported oil was also his.

Commenting on the results obtained, this economist shows no false modesty. He says that a part of the energy of the Figueiredo government "seems to have been very well channeled," and he explains that the price policy adopted gave dynamism to the PROALCOOL [Alcohol Production Program], provided an incentive for the domestic production of oil, and prevented the country from "committing some folly, such as for example producing alcohol from wood on a large scale or developing a program of the solar energy or vegetable oil type, although all of these technologies are available today."

Rosemberg's contribution to the work of Delfim Netto's team was not limited to energy problems. He soon became a member of the technical groups negotiating with the International Monetary Fund (IMF) and the creditor banks. But the contribution of Luiz Paulo Rosemberg and Ibrahim Eris to these discussions was always very difficult to describe. As early as then (1982), both men said they were a part of a kind of "critical wing" of Delfim Netto's team.

They did not have administrative or executive functions as such. They were often seen in the offices of Savasini and Akihiro Ikeda, who was then secretary of economic affairs in the Planning Secretariat. Ikeda called the two men "the academics." And he could often be heard to address Savasini in a bantering tone, saying something like:

"We need to hear from the academics, for they are the ones with the ideas."

Both Eris and Rosemberg were members of a group appointed to formulate the overall economic policy of the government, which also included Ikeda, Savasini and the former president of the Central Bank, Affonso Celso Pastore. The working method used was brainstorming, allowing the group complete freedom to criticize and reject the policy being pursued by the government. Recalling that era, Rosemberg says that "the experience was extremely enriching from the professional point of view."

One of the main characteristics of Rosemberg's personality is his frankness. According to Savasini, "he is very open and honest, and this type of conduct sometimes would create difficulties for him." It is also Savasini who says that this economist "always said what he thought, even when he was at odds with the majority in the group with which he was working." This independent mode of conduct can in part be explained, Savasini says, by the fact that "he has never depended on government employment to survive."

The economic adviser to President Sarney was somewhat discomfited when asked to speak about Delfim Netto or the economic policy of the Figueiredo government. About Delfim Netto, he would say only one thing:

"He is an extremely provocative individual, who likes to be surrounded by courtiers all of whom agree with and praise him. But at the same time, he is an individual who allows a great deal of room for discussion."

Concerning Figueiredo's economic policy, he would say nothing conclusive. He merely expressed a conviction:

"This was a very difficult time in our history. The international situation was extremely adverse."

In his view, the high point in the preceding government was when the process of a more open political approach was consolidated, even though difficulties of an economic nature were encountered.

"That fetishism which existed regarding the links between a closed political approach and a deterioration in the economic situation did not work."

Today, Sarney's economic adviser is involved in practically all the issues of an economic nature. From the establishment of the basic cost value for the coming harvest to the cuts in state enterprises, and including the welfare budget, everything has crossed Rosenberg's desk, which is located in an office on the second floor of the Planalto Palace. It was previously that of Danilo Venturini when he was special minister for land related issues.

Rosemberg seems to be fully aware of the role he plays on the economic team, although his functions there have not always been very clear to the public at large.

"The role of the adviser is to interpret. My task is to explain the gains and losses which will result from the measures being suggested to the president, setting forth who will benefit and who will be harmed, what the alternatives to these measures are and the various levels on which they can be pursued," he says.

Rosemberg vehemently denies that he is the member of the economic team with the greatest influence on the president of the republic today.

"An adviser cannot make that kind of claim. If I tried to exert influence I would not be playing my role. The adviser must try to demonstrate clearly what moving to one side or the other will mean. I believe that if one day I exert influence on the president, I will have failed."

In any case, Rosemberg has traveled an ill-defined path winding among the roles played by Minister of Planning Joao Sayad and Minister of Finance Francisco Dornelles. He says he is a personal friend of both men and has no stronger links with either than with the other. He has known Sayad since the USP era, when they drank coffee together in the cafeteria in the Faculty of Economics. The careers of the two men developed in quite parallel fashion. It was Sayad who followed him in the office of the secretary general of the National Association of Economics Graduate Programs (ANPEC). Rosemberg has maintained the closest contact with Dornelles in the past 3 years, in particular when the preceding government was discussing tax measures.

"Dornelles is an incomparable working colleague. He is industrious as few are, and is very skillful in converting ideas into action. During this period when we worked together, we developed a certain complicity in many undertakings."

The role played by this economist in the Ministry of Planning is currently regarded as of great importance in terms of economic decisions. One of Sayad's closest advisers says that Rosenberg created a channel making it possible to process matters more easily. This adviser also says that this channel made it possible to rescue the administrative machinery from the unclear situation caused by the initial differences between Sayad and Dornelles. The image of Luiz Paulo Rosenberg in the Ministry of Finance is also a favorable one. Dornelles says of him that he is a technician of "great capacity and competence."

This prematurely balding gentleman, a fidgeter (while talking or discussing a problem, he customarily fiddles with a magic cube or a set of puzzle parts), and a fanatic supporter of the Corinthians ("For me, the Corinthians are a religion"), he is actually fascinated with the post he holds and the opportunity to work directly with the president.

"It is extremely satisfying. In reality, it is a unique experience, because the president has a great capacity to listen to arguments calmly. People can sense that he is absorbed with thinking. He needs advisers in order to be informed, but the decision made is his. It is a truly solitary, mature and very confident decision."

Rosenberg says that as a Brazilian citizen, it is a great satisfaction to him to know that the choice of economic measures is being made "by a president who has political experience and who feels what the people want."

"An economist must be humble enough to recognize that it is not in technology that the answers to problems lie. There must be something a little deeper than this in support of a decision. And it is the president who makes this political decision about things," he explains.

In what school of economic thinking would Rosenberg place himself? He himself does not know. His background has more to do with the study of microeconomics, and he likes to assess the overall development of the economy, precisely on the basis of the interpretation of its agents. But he does not because of this regard himself as a classic or orthodox economist.

He says that in his experience with macroeconomic problems, he has learned "to scorn the dogmatism of every school, while at the same time dealing with this monetary world." He is more attracted by the real side of the economy than by its monetary aspect, but he believes that it too has its role to play. This position of avoiding automatic classification can be interpreted in the light of something he often says:

"The reality in Brazil is so complex that it is not possible to exclude any school. We need all of them plus a good deal of eclecticism in order to make the fewest possible errors."

BRAZIL

IBGE FORECASTS 8.3 PERCENT AGRICULTURAL PRODUCTION GROWTH

Rio de Janeiro O GLOBO in Portuguese 26 July 85 p 21

[Text] Brazilian farm production will increase this year by 8.5 percent--11.5 percent for vegetable crops and 3 percent for products of animal origin, representing the greatest growth in crop raising and livestock breeding in the country in the past 20 years. This figures were announced yesterday by the Brazilian Institute of Geography and Statistics (IBGE) Foundation, based on the practical completion of the harvesting season in Rio Grande do Sul, Parana and Santa Catarina. These regions account for 80 percent of the farm production of the country.

Charles Muller, Farm Area, Geography and Natural Resources director at the IBGE Foundation, explained yesterday that the farm development of the country this year is due more to the increase in productivity for the various crops than to the increase in area planted.

"This year," he said, "there was rain and then sunshine at the proper time in all Brazilian regions. There was also an increase in the area planted, but not a significant one."

According to the IBGE Foundation director, the increase in farm production, like what happened beginning in the 1970s, is continuing to be further stimulated by exports this year, although the basic products consumed domestically have also seen growth. The production of beans, for example, will reach 1.5 million tons, up 6.78 percent over the figure for last year (1.4 million tons).

Rice production, however, will show a decline of 0.72 percent (8.9 tons) this year, from 9 tons last year.

Charles Muller also stressed the difference between the increase in vegetable crop production and that in products of animal origin. He said that the lower rate of growth for animal products is the result of the loss of purchasing power in recent years, such that the people have opted for heavier consumption of vegetable products, generally lower priced. Milk production dropped 0.8 percent for the January-May period this year as compared with that same period last year, while the slaughter of cattle for the same period showed a decline of 2.5 percent.

According to the study released by the IBGE Foundation yesterday, wheat production is the category which will show the best development this year (increase of 46 percent over last year). Soybeans will see an increase of 15.95 percent this year over last. The worst development was seen for onions (-13.95 percent), mallows (-15.95 percent) and black pepper (12.29 percent).

Brazilian Agricultural Production

PRODUTOS (1)	(2) AREA (3) (4) (5) (6)		(3) PRODUÇÃO (7) (8) (9)			
	Colhida em 1984	A colher em 1985	Variação (%)	Obtida em 1984	Esperada em 1985	Variação (%)
Algodão arbóreo (em caroço) (10)	1.430.023	1.371.400	- 4,10	267.725	272.778	1,89
		137.097	29,60	185.608	280.946	40,59
Arroz (em casca) ... (11)	5.356.267	4.754.689	- 11,23	9.021.610	8.956.852	- 0,72
Banana (3) (12)	395.672	418.454	5,78	486.873	485.418	3,31
Batata-inglesa 1ª safra (13)	100.991	95.772	- 5,17	1.231.633	1.202.290	- 2,38
Cacau (em amêndoas) (14)	608.836	634.812	4,27	345.397	415.710	20,36
Café (em coco) ... (15)	2.452.366	2.483.000	1,25	2.678.602	3.462.550	29,26
Cana-de-açúcar ... (16)	3.660.567	3.830.672	4,65	222.716.217	239.967.413	7,75
Cebola (17)	69.242	56.401	- 18,55	718.394	618.146	- 13,95
Centelo (em grão) (18)	3.781	8.223	117,48	2.859	8.293	190,07
Cevada (em grão) ... (19)	73.102	96.392	31,86	77.401	120.853	56,14
Coco-da-baía (1) ... (20)	158.086	156.952	- 0,72	521.011	524.435	0,66
Felão (em grão) 1ª safra (21)	12.630.423	2.858.335	0,99	1.408.354	1.503.798	6,78
Fumo (em folha) (22)	285.286	285.222	- 0,02	414.808	409.440	- 1,29
Laranja (1) (23)	631.877	652.334	3,24	64.612.898	69.771.465	7,98
Mamona (24)	412.808	479.904	16,25	224.949	402.764	79,05
Mandioca (25)	1.615.539	1.882.450	3,69	21.289.147	22.962.937	7,86
Milho (em grão) (26)	12.205.201	11.884.670	- 2,63	21.174.179	21.870.129	3,29
Sisal ou Agave (fibra) (27)	320.350	323.042	0,84	224.760	239.752	6,67
Soja (em grão) (28)	9.416.706	10.134.878	7,63	15.535.843	18.014.032	15,95
Sorgo (em grão) (29)	145.784	165.256	13,36	290.634	295.991	1,84
Tomate (30)	52.201	50.792	- 2,70	1.819.705	1.837.363	0,97
Trigo (em grão) (31)	1.741.332	2.427.038	39,38	1.956.476	2.870.380	46,71
Uva (32)	56.916	57.738	1,44	603.403	718.912	19,14

Key:

- | | |
|-----------------------------------|--------------------------|
| 1. Product | 17. Onions |
| 2. Area (in hectares) | 18. Rye (grain) |
| 3. Production (in tons) | 19. Barley (grain) |
| 4. Harvested in 1984 | 20. Coconuts (1) |
| 5. Harvested in 1985 | 21. Beans, first harvest |
| 6. Variation (%) | 22. Tobacco (leaf) |
| 7. Obtained in 1984 | 23. Oranges (1) |
| 8. Expected in 1985 | 24. Castor beans |
| 9. Variation (%) | 25. Cassava |
| 10. Raw (unginned) cotton | 26. Corn (grain) |
| 11. Unhulled rice | 27. Sisal agave (fiber) |
| 12. Bananas (3) | 28. Soy (beans) |
| 13. White potatoes, first harvest | 29. Sorghum (grain) |
| 14. Cocoa (beans) | 30. Tomatoes |
| 15. Coffee (beans) | 31. Wheat (grain) |
| 16. Sugar cane | 32. Grapes |

BRAZIL

PIRES ON PRESS FREEDOM, ARMY UNITY, ROLE; BIO DATA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Aug 85 p 5

[Article by Rio correspondent Helio Contreiras: "Leonidas--'Forgetting the Past'"]

[Text] Brasilia--General Leonidas Pires Goncalves, minister of army, told O ESTADO DE SAO PAULO and JORNAL DA TARDE yesterday that "the misunderstandings of the past must be forgotten in favor of the great achievements of Brazilian society, democratic strengthening and stability, and socially just development."

"We will not turn back, but rather turn our faces to the future," the minister said, making it clear that the army is sensitive to the country's need for more just development which will allow the payment of the social debt and participation in development by the great majority of the Brazilian people. "I reiterate that the army has never been an intruder in the history of Brazil, but has always gone along with the national aspirations. We never involve ourselves where we have not been asked to. We have the historic examples of the proclamation of the Republic, the democratization in 1945, the revolution in 1964 and the historic era of consolidating democracy in our country."

In the view of the general, the army has always been sensitive to the appeals of the country, and its position today is again oriented toward professionalization and its duty to Brazil, "with an awareness on the part of the military that these duties demand sacrifice, unselfishness, a capacity for self-abnegation and a concept of the national interests."

"We have confidence in the capacity of Brazil to overcome its present difficulties, not only as a function of its potential and the wealth of its natural assets, but the value of the Brazilian individual as well. And this belief is based on 45 years' experience serving the army and Brazil," the minister said.

Leonidas Pires Goncalves referred to a saying to the effect that a pessimist is a well-informed realist, going on to state that "because of an excellent knowledge of the Brazilian reality," he has reason to believe that "the country is in a position to deal with its major problems."

"I have served in Rio Grande do Sul, in Parana, Santa Catarina, Sao Paulo, Rio de Janeiro, Minas Gerais, Mato Grosso, Brasilia and the Amazon region, and I regard myself as knowledgeable about the problems of the Brazilian Northeast, thanks to the strategic studies I have done on that region," the minister said. He emphatically defended a position which is not defeatist with regard to the future of the nation, but one which is instead "that based on the Brazilian reality, which justifies confidence."

After admitting that he is aware that some of the problems of the country are truly serious, the general said he believes "in our capacity to overcome these problems, without complacency but with a feeling that there are reasons for Brazilian society to overcome them."

Consolidation of Democracy

The minister of army defended freedom of the press, "because it is necessary that there be critical vigilance, although as the press itself recognizes, this involves a great responsibility in terms of the role which the news agencies themselves play in a democratic regime."

General Leonidas Pires Goncalves stressed that he would like to see the Brazilian hopes for the consolidation of the democratic regime and development which would benefit the most widely varied segments of Brazilian society, which the army represents, fully achieved.

The minister said that the army is cohesive, enjoying a unity which he says is strengthened by the affinity of concepts between the active officers and those in the reserve. "We are fulfilling our obligations and our duties and we believe in institutional stability."

"We are where we have always sought to be, focused on the army and Brazil, an army which has never failed to heed the appeals inspired by the interests of the people. We hear the voice of the people, because we are a part of them, oriented toward their defense," the general stressed.

"Our constitutional role, which is basically the defense of the fatherland and guaranteeing order and law, has been reiterated in all of the republican constitutions since 1891. I think that there is no reason to make any change in our status, because it has been good for the nation, and this aspect should be made very clear," the minister of army said in speaking about the constitutional norms.

Leonidas Pires Goncalves reiterated that the army has always acted in response to appeals from the people, in other words adopting positions consistent with their aspirations, "sensitive to their desires, interests and aspirations. Therefore I believe that our constitutional mission has been carried out in this period of almost a century in very purposeful and timely fashion." "We have always been motivated by the major interests of the fatherland," the minister stressed, confirming the position of the army as "fully identified with the democratic ideals of the Brazilian people," and a life consistent with their values and traditions of freedom.

The general regarded the statement made recently by jurist Paulo Brossard following a lecture given in Rio at the Brazilian Strategic Study Center as a worthy one. He endorsed Brossard's assertion that the present norms for the armed forces are traditional in Brazilian constitutions, and thus were not the product of the 1964 revolution.

"Since it was a question of a man of the intellectual, cultural and juridical stature of Senator Paulo Brossard, I was very pleased by the support received," the minister of army said. Brossard had pointed out that, unlike the national security policy, the constitutional norms for the armed forces did not develop in the period between March 1964 and March 1985.

Leonidas Pires Goncalves, after noting that the national regime is made up of political, economic, psychosocial and military aspects, stressed the contribution provided to each of these segments by the army, saying that "this task is carried out with enthusiasm and conviction."

The minister of army reiterated that the security efforts are oriented toward democracy, and he made clear his conviction that the country can not only have a great democratic experience, but can consolidate it, looking to the future, and he recalled that he had said in Sao Paulo that "tolerance does not mean harmony."

In the general's view, democratic stability is viable and justifies the confidence that, by turning to its major projects, Brazil can realize its aspirations concretely in all sectors.

The General's Background

Leonidas Pires Goncalves, 59, was born in Cruz Alta in Rio Grande do Sul. He is a member of the 1942 graduating class from the old Realengo Military School. He maintained a position in defense of political-institutional normalcy during the most difficult period of the presidential succession, as president-elect Tancredo Neves admitted in talks with other military officers.

Tancredo Neves, as he said in a talk he had with Admiral Maximiano da Fonseca, the former minister of navy, was concerned about the security of the succession process. But he specifically mentioned General Leonidas Pires Goncalves, then in command of the Third Army, in connection with the strictly legalist position he was maintaining in the South.

The president-elect also referred to others of the general's colleagues, including the present chief of the Army General Staff, General Jorge Sa Freire de Pinho, who was at that time in command of the Fourth Army in Recife.

The minister of army succeeded in maintaining a moderate position even at certain moments in the past when harsh pronouncements were the common thing. He supported the more open political process launched under the government of President Geisel, with whom he served in the Planalto Palace during the Castelo Branco government.

General Leonidas Pires Goncalves served as an instructor at the Army Command and General Staff School (ECENE), as well as deputy commander there. Later, promoted to the rank of general, he was appointed chief of the general staff of the First Army in Rio, and then commander of the Fourth Infantry Brigade in Minas Gerais. He also served as military commander of the Amazon region and deputy chief of the Army General Staff. Finally, after promotion to the rank of full general, the highest career rank, he was appointed commander of the Third Army in Porto Alegre, where he was serving when President-Elect Tancredo Neves chose him as minister of army. The transfer of the post from Minister Waldo Pires to Leonidas Pires Goncalves was effected smoothly.

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CSO: 3342/233

BRAZIL

BRIEFS

SARNEY VISIT TO CTA--Brasilia--President Jose Sarney will arrive in Sao Jose dos Campos at 10 tomorrow morning, where he will spend the day visiting technical, research and industrial installations in the aeronautics sector, accompanied by Minister Moreira Lima. After a protocol welcome at the airport, Sarney will go to the Flight Protection Institute and will hear a talk on the Aerospace Technology Center (CTA). The presidential delegation will then visit the Materials Division, to inspect the production of diesel and vegetable oils and kerosene, proceeding next to the Mechanics Division, where its members will inspect engine projects involving multifuel vehicular and aeronautical traction. Next they will visit the Special Activities Institute, where they will hear an explanation of the Brazilian space project, as well as the armaments sector. They will lunch at the CTA Club at 12:30 pm, after which they will visit the EMBRAER [Brazilian Aeronautics Company], where the delegation will see an exhibit of planes produced by the enterprise. The group is schedule to return to Brasilia at 5:30 pm. Today the president is visiting the ministry there, where he will spend the entire morning learning about all of the details of the sectorial operation, as he has already done at other ministries. Sarney is scheduled to remain at the ministry from 9 am until 3 pm, and he will lunch with Minister Moreira Lima. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Aug 85 p 4] 5157

CSO: 3342/233

DOMINICA

BRIEFS

UK AID--Roseau, Aug 27--Dominica's community development programme will receive nearly EC 800,000 dollars (one EC dollar: 37 cents U.S.) this year under a British aid scheme. The assistance will cover staff costs in a number of areas, materials, fuel and maintenance and a new truck, a statement from the Barbados-based British Development Division in the Caribbean said. The lion's share of staff costs are accounted for by self-help projects around the island, while provision is also made for a small business officer responsible for a scheme providing loans to cottage industries, the statement said. A new feature of this year's programme is a pilot study, based on the villages of Manaut, Pichelin and Bellevue Chopin, to test the impact of community development methods in bringing about socio-economic changes in rural communities. In 1984 the UK provided EC 700,000 dollars for community development in Dominica. [Text] [Bridgetown CANA in English 2044 GMT 27 Aug 85 FL]

CSO: 3298/969

GRENADA

PAPER QUESTIONS 'INTEGRITY' OF GOVERNMENT ACTIONS

St Georges THE GRENADIAN VOICE in English 22 Jun 85 p 1

[Front Page Editorial]

[Text] A study of the N.N.P. Manifesto reveals that they made no promise to observe the highest ethical and moral standards, to practice honesty, to eschew corrupt practices and to insist on the same from public officers. The only thing we can hold on to is their statement "We are proud to present candidates of unquestionable integrity...."

Now that all but one of the candidates is an elected member of parliament and several are Ministers, where has the integrity gone? Could the omissions referred to have been deliberate? We would not like to think so.

What bothers us, however, is that the Payne/Heyliger scandal appears to have been swept under the carpet by government in the hope that Grenadians will, in their usual manner, forgive and forget. If this is their thinking we must advise them that they have misjudged the depth of feeling and concern the revelation that public officers were charging and billing private fees. And what is more disturbing is that, as we understand it, the Payne/Heyliger affair is only the tip of the iceberg. It is understood that much more of that kind of thing is going on among public officers than can be imagined.

We are bothered even more by the report that Mr Payne's contract expired just around the time that the scandal broke and that government has been attempting or has already extended or renewed it for a further period.

Let us assure the government of one thing now. The people want some action or statement on this matter--and this includes some of their own MPs who feel embarrassed.

We also wish to make it clear that we consider we will be failing on our duty if we do not keep the matter before the public. No issue of this paper will appear without some reference to it until government makes a statement. We also invite the views of readers on the matter for publication.

If government feel that they cannot do without the services of these men they 'must level with and tell us so--and also tell us why.' We also are entitled to a declaration that all irregular practices in the public service at any level will be rooted out. We cannot settle for less and should not be expected to.

CSO: 3298/970

GRENADA

AMBASSADOR TO VENEZUELA RELIEVED AFTER AUDITORS' VISIT

St Georges THE GRENADIAN VOICE in English 3 Aug 85 p 1

[Text] Matthew Williams has been recalled as Grenada's Ambassador to Venezuela and Mr Samuel Orgias, formerly Counsellor in our Washington Mission, has been installed temporarily as Charge d'Affaire.

The replacement was made by Head of the Diplomatic Service Ms Fair Rapier who flew to Caracas last Friday morning, accompanied by Accountant General Mrs Monica Harding and Audit Department official Mr Alvin St John. According to Minister of External Affairs Hon Ben Jones, Mrs Harding went to Audit the Mission's books and take an inventory of the Mission's property as is proper when the head of the Mission is being replaced.

Mr N.E.W. Fletcher, former Permanent Secretary in the Prime Minister's office was tipped to replace Williams a couple months ago, but it was understood that Fletcher was not keen on the appointment as he does not speak Spanish. He then accepted employment with the company which is expected to operate Air Grenada and retired from the Public Service.

When GRENADIAN VOICE spoke to Mr Jones he refrained from accepting the word "sacked" to describe the ending of Williams' service with the Mission but he admitted that Williams was no longer in the Service of Government. Jones said that Williams could not project the kind of politics that the Government was practicing and as such he could not properly represent the views of the country at diplomatic level.

Williams was appointed Ambassador by the People's Revolutionary Government but Jones said that no proper record could be found about the arrangements under which he was appointed. Although Jones would make no specific statement regarding improper behaviour by Williams, there has long been the suggestion that Williams was so pro PRG that he was having difficulty adjusting to the new order of things.

CSO: 3298/970

GRENADA

MINISTER OF LABOUR DISCUSSES ISSUES IN SPEECH TO ILO

St Georges THE GRENADIAN VOICE in English 22 Jun 85 pp 9, 10

[Text] Because they had a rough time under the Peoples Revolutionary Government (PRG), some Grenadian employers may feel that now that the PRG is no longer in power, they can "flex their muscles."

Minister of Labour Dr Francis Alexis, expressed this opinion on May 18th as he addressed the opening session of an International Labour Organisation (ILO) sponsored week-long, tripartite seminar on industrial relations.

Dr Alexis referred specifically to severance pay and said, in the few months since he has been in office, he has been faced with several instances of workers laid off and not given severance pay.

"Government is clear in its mind that severance pay is not a matter for the generosity or mood of the employer," he said. "If there are some employers who will not voluntarily come up with severance pay, I will have a clear duty to go to Government with proposals to deal with the situation."

Referring to the subject of "unfair dismissal," Dr Alexis said ILO has promised to help Grenada to draw up a Labour Code. If this Code can be formulated soon, he said, there will be no need for Government to enact legislation to deal with unfair dismissal, but this subject is one causing Government considerable concern.

"An employer may think it is not Government's business if he chooses to dismiss a worker for any reason or no reason at all," Dr Alexis said, "but when workers are under the shadow of unfair dismissal, they are not contented and there is the potential for some people in the community to rant and rave about Government ganging up with captains of industry."

The Minister said it is difficult sometimes to answer the question as to whether a person should not be working or be receiving wages which are too low. There are harsh realities to be faced, he said, but Government is aware that too low wages in any sector can provide opportunities for "those who would undo the democratic system we are committed to building." His Ministry, he said, will produce a "minimum wage packet."

Workers, too, have their responsibilities, Dr Alexis said, and when he visits some work places in his private capacity, he is amazed at the degree to which these responsibilities are not being met.

He recounted a recent experience in which he had accompanied a distinguished former Judge to an hotel in Grenada where the Judge was to be booked in.

"The lady at the desk behaved as though we were encroaching on her privacy," he said, "as though we were a nuisance."

Receptionists at hotels are more than ordinary workers, the Minister said. They are ambassadors because "first impressions count and they last long."

The same is true of taximen, he said, and he is embarrassed to see the squabble and fighting which goes on when tourist ships are in.

"Cabinet has discussed this matter," he said, "and we are embarrassed. It is demeaning. A look at the figures shows that tourists are being advised not to come to Grenada because they have to run the gauntlet between the pier and where the taxis are parked."

Dr Alexis described the behaviour of the taximen as a "sickening sight" not seen anywhere else in the Caribbean, and he appealed to a sense of responsibility to correct it.

The Minister dealt also with the subjects of productivity, punctuality, honesty and the work ethic.

"I am told that the reason Japanese cars do so well on the world market is that Japanese workers have an almost spiritual work ethic," he said. "They work motivated by a nationalism and pride which is second to none and which puts the British, French and maybe, Trinidadian workers in the shade in assembling cars."

Cultures vary, Dr Alexis said, and he would be wrong to say we must do things the Japanese way, but he believes Grenadians should look at and improve the attitudes they display on the job.

Lecturers at this ILO seminar included Mr George de Peana, ILO Advisor on Worker Education and Mr Norman E. Semple, ILO Regional Advisor.

CSO: 3298/970

GRENADA

FOREIGN FIRM EYES AIRLINE, RESORT PACKAGE PLAN

St Georges THE GRENADIAN VOICE in English 22 Jun 85 pp 1, 16

[Excerpts] If there is no slip, "tween cup and lip," Grenada will have a National Airline within a year.

It was revealed this week that government and a Paris-based group have been in negotiation since early January and agreement in principle has been reached for the establishment of "AIR GRENADA" as part of a total package which will include a 350 room First Class Hotel-cum-Resort which also incorporates Convention facilities.

It is anticipated that direct employment could be provided for about 800 persons plus the additional ancillary jobs and opportunities which the project could generate.

The Company concerned is the International Group for Transportation and the Petroleum Industry with partners and officers in France, America and Argentina. Saudi Arabian interests are also involved.

A source close to the company told GRENADIAN VOICE that the company saw Grenada as presenting an opportunity but that benefit will be long term because of the present stage of development. "If the company had to make a decision based on what exists now" the source said "it would not be interested. But the company has faith in the future of the country and in its ability to provide the quality of service which will guarantee a return on investment if the country remains stable."

The speaker made it clear that the company wanted no local partners or local money since there is no expertise or sufficient experience on the island to take a meaningful part in the decision making for the project. The company will provide all the approximately \$20 million capital needed for the venture.

CSO: 3298/970

HAITI

OPPOSITION LEADERS QUESTION REFERENDUM PURPOSE, PROCEDURES

Call for Public Debate

Port-au-Prince LE PETIT SAMEDI SOIR in French 13-19 Jul 85 pp 20, 23

[Open letter]

[Text] Port-au-Prince, 10 July 1985

His Excellency Dr Roger Lafontant

Secretary of State for Interior and National Defense

His Excellency Mr Jean-Maraie Chanoine

Secretary of State for Presidency, Information and Public Relations

Messrs Secretaries of State,

In its last preamble the presidential decree of 27 June 1985 in conclusion explains the decision to resort to a referendum because of "certain appeals for rejecting" the "new democratic system" instituted by the legislative reforms of 6 and 9 June 1985.

In our joint communique of 1 July 1985 we opposition leaders recognized the eminently democratic nature of the principle of a referendum and proposed nine conditions for its realization on 22 July 1985.

Without abandoning any of these points and in view of the government's silence in response to our demands, we believe it necessary to denounce other anomalies that have puzzled the public:

a) The intensive propaganda launched by the government orients people in a false direction by presenting the "new political system" resulting from the recent legislative reforms as a step forward on the road to democracy, whereas, on the basis of an analysis of the wording, it can be established that we are, on the contrary, in the presence of a sharp setback in relation to the former, already asphyxiating political system.

b) The referendum is silent as to the expected result. If the people of Haiti respond with yes, no or an obviously high rate of abstention, what will the fates of the chief executive and the Legislative Chamber be?

- c) It is too obvious that the adoption of one color for the ballots of dissent, no, and the ballots of assent, yes, are only aimed at exploiting the illiteracy of the voters and at facilitating the rigging of the vote.
- d) The vote is supposed to be held on the basis of the voter registration rolls drawn up at the time of the parliamentary elections of 12 February 1984. How then are those affected who had not yet attained voting age and who, during this interval of over 18 months, have politically come of age?
- e) The government has marshaled an impressive propaganda machine in order to unilaterally impose its decision on the rural and urban populations. In several regions of the country government agents have indulged in physical violence against families, groups and individuals, resorted to threats and intimidations to force them to say yes at the next referendum. As for the opposition, it has available to it no means of communication or information. Its most elementary rights are systematically unrecognized. Some of its members do not even have the right to leave the city of Port-au-Prince. Which is in opposition to an elementary rule of democracy: equal opportunities for all.

You understand, Messrs Secretaries of State, that for all these reasons there is reason for offering the people of Haiti the possibility of making up their own minds about the referendum by organizing a televised public debate in Creole between members of the opposition and those secretaries of state directly involved. Everybody could then clarify certain obscure or controversial points and decide knowingly and with complete freedom of thought. Such a public debate would permit the opposing parties to develop their arguments and to adequately inform all sectors of the national community, the diaspora, the diplomatic circles of Port-au-Prince and international organizations.

It would be desirable for the government media in particular to announce the dates and times of the debate 48 hours in advance.

In the hope that these suggestions will have the consequences expected by the majority of Haitians, we are, Messrs Secretaries of State, respectfully yours,

Hubert de Ronceray
political leader

Pastor Sylvio C. Claude
founding chairman of the PDCH [Christian
Democratic Party of Haiti]

Attorney Constant D. Pognon
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tical leader

Gregoire Eugene
Founder of the Christian Social Party of
Haiti

CC: Secretary of state for justice
Supreme Court
Legislative Chamber
Diplomatic corps
Press

Finally Recommend Boycott

Port-au-Prince LE PETIT SAMEDI SOIR in French 20-26 Jul 85 p 33

[Text] Joint Communiqué No 3 of the Opposition Leaders

In our joint communiqué of 1 July 1985, we leaders of the opposition approved of the democratic principle of a referendum and proposed nine conditions and guarantees for the acceptability of the 22 July 1985 referendum announced by presidential decree dated 27 June 1985. The government's silence with regard to our demands and growing pressures from the different sectors of the public for a clarification of the objectives of and procedures for conducting said referendum have led us to propose to the secretaries of state for interior and national defense, presidency and information a televised public debate. This second suggestion suffered the same fate as the previous one; that is, it was ignored and scorned.

Meanwhile, reports coming from different regions of the country tell of acts of violence, threats and measures of intimidation directed against the local populations, which government agents are assigning CONAJEC [National Committee for Jean-Claudist Action] cards to force them to say yes to the referendum. In the QUOTIDIEN LE NOUVEAU MONDE of Thursday, 11 July 1985, the minister of information entitled his editorial: "The 22 July Referendum: a Ratification of the Historic Vote of the Constituent Deputies." This provocative and at the least surprising assertion largely confirms the little credibility the 22 July vote has.

In the face of this confused, ambiguous and uncertain situation which is dangerously prolonging the country's socioeconomic and political crisis and considering the government's rejection of and disdain for an open and democratic dialogue dealing with the problems that are pushing the national community to its ultimate limits, the leaders of the opposition adhere strictly to Point 9 of their communiqué of 1 July 1985 and invite the public and private administration, trade, industry and all the activity sectors of the towns and rural areas to refrain from any participation in the 22 July 1985 referendum, the results of which will be opposable to neither the opposition nor Haitian national sovereignty.

Now is the time for all patriots to be very clear and to oppose the parody of democracy scheduled for 22 July, the strategy of passive resistance. The impartial observer may then note that throughout the country the people of Haiti have registered their dissent with the referendum and have refrained from participating in it. With the exception of those good people whose ignorance, naivete, poverty and psychosis of fear is going to be exploited,

with the exception of a few civil servants who are mothers and fathers of families, timorous and tortured by the prospect of immediate dismissal, the rate of participation will be ridiculously low. This is an opportunity for Haitians to prove and express their rejection of the lifetime presidency and to demand an end to this political stagnation that has earned the country the distinction of having reached toe bottom of the abyss.

Issued at Port-au-Prince, 17 July 1985, the 182d year of our independence.

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Attorney Constant D. Pognon
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MEXICO

SOUTHERN BISHOPS INSTRUCT WEALTHY ON SOCIAL OBLIGATIONS

Mexico City DOCUMENTACION E INFORMACION CATOLICA 4 Jul 85 pp 477-490

["Document" entitled "The Gospel and Worldly Goods," issued by bishops of Southern Pacific Region on 450th anniversary of establishment of Bishopric of Oaxaca, at Cathedral of Saint Mary of the Assumption, 21 June 1985]

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The Gospel and Worldly Goods

Bishops of the Southern Pacific Region 21 June 1985

Introduction

1. We Have Always Spoken to All with a Preference

In many ways, by means of letters, messages and documents, we have been addressing the People of God in our Southern Pacific Pastoral Region for

several years. As servants of the Gospel, we speak to all (cf. Matthew 28:18 ff.) to reveal and show the path to salvation. Following the example of Christ, our main concern has been with the poor (cf. Matthew 11:2-5), and among them, the poorest of the poor (cf. Puebla '79, 34-35), that is, the Indians and peasants, to accompany them on their road to faith.

2. Today We Speak to One Sector in Particular

Since our love and our pastoral responsibility extend to all the People of God, and since we want everyone to feel in the Church the preference that the Gospel and the Church itself require of us (cf. Puebla '79, nos. 1134-1165), following the model of Christ, now we would like to preach the Gospel in particular to those who enjoy a medium to high economic and social status, and to those who aspire to possess more economic goods. We would like to propose to them God's Plan, so that their wealth will help them build the Kingdom of God, to establish fraternal ties with the poor, and to attain eternal life.

3. We Are All Called to Serve in the Church

We are writing this Letter because in the Church, we are all responsible for everyone else; we are servants of one another in love (cf. Galatians 5:13). We are also writing because of the concern that some well-to-do people have expressed to us, concern that we have shared with groups and individuals of different economic and social levels in order to learn of the Christian experience with worldly goods or wealth. Everyone has had his say, knowing that it meant a greater commitment to his brothers. Thus, they have expressed their sincere feelings and understanding. We join them in raising our voices to make this a pastoral service.

I. The Position of Christians with Regard to Material Goods

4. Sincere Concern

Many people of economic means who are aware of the unjust structures of our society are interested in helping the poor in a variety of ways; they want to find paths that will enable them to respond to the Gospel's call for justice and brotherhood. They wonder what their role is to be at this time, so that they can make the decisions and accept the responsibilities that the Church requires in order to experience their faith in Christ. They are like that group of women of means who accompanied the Lord closely and contributed their goods to help pay His and the apostles' expenses (cf. Luke 8:3). These people are more concerned about Jesus than about wealth. With all those who use their property in a Christian way, we share our conviction of faith about wealth, so that we can all attest to the hope that lies in those who believe in the Lord Jesus (cf. I Peter 3:15), and we can strive to bring about His Kingdom of Justice.

5. Services by People of Means

There are wealthy people who contribute money to the needy, giving them alms. Others do this constantly, with poor friends whom they know well, and they

help them ease the hardship of their situation. There are also groups of middle- and upper-class people who aid the poor through religious organizations created for that express purpose. On the other hand, some participate in aid programs developed by priests or nuns in the under-privileged areas. Some help the Church and other institutions to carry out social projects. Then there are others who use their resources to create jobs. The Church appreciates all this, and respects the people who generously give what they have to implement works of mercy.

6. Professional Talents in Service of the Poor

We know of communities and individuals that have benefited from the services of different professionals who, through consultation and advice, have improved their agricultural techniques, their organization, diet, health and education. This shows how these professionals put their own talent, such as cultural and intellectual wealth, to the service of the most needy.

7. Recognition of the Church and Christian Example

This support and solidarity on the part of those who enjoy material or spiritual wealth for the good of the poor, is out of step with the times. In the history of the Church there are many cases of middle- and upper-class people who had feelings of Christian brotherhood and used their resources to express their faith and their commitment to others, either by using their wealth in a Christian way or by totally renouncing them for the Kingdom. The Church has canonized several of these individuals as examples of Christian life. Among them are educators, such as Thomas Aquinas, Carlos Borromeo and Jean Baptiste De la Salle; we also find philosophers and theologians, such as St. Augustine, Alberto Magno and Cyril of Alexandria; government leaders, such as Isabel of Hungary, Thomas Beckett, Enrique Emperador, Thomas More, and other politicians. St. Francis of Assisi renounced wealth to such an extreme that he is called "Poor Little Francis of Assisi." The Church elevated all these people not because they were rich, but because they used their wealth and power in an ethical manner and in accordance with the Gospel.

8. There Is Ostentation and Squandering

Although our country is undergoing one of the worse economic crises ever, some would appear to be living in an economic boom. They make long, costly trips; they buy very luxurious, late-model cars; while on the other hand we see many poor people who cannot even pay the high cost of urban or foreign transport. Factories add superfluous accessories to their products, even if what they manufacture are items, vehicles or tools for work; meanwhile, many peasants cannot even replace or repair their lowly work implements. Houses are built with expensive materials, with luxury finishings and furniture, in contrast to the poverty and lack of hygiene of most houses and shacks. All around there are select stores that specialize in clothing and delicacies for customers who are willing to pay very high prices for what they buy, while the peasants have to go through endless bureaucracies and commissions to get low-cost food stores in their towns and to bring a little food, often of low quality, to their tables. Some have enormous amounts of credit and credit lines, while the majority cannot obtain enough credit to finance their agricultural work

until the harvest. The mass media report that some people in this poor Mexico export millions of dollars every year to their private accounts abroad. We even hear media reports of consumerism that indicate that even some poor people squander their meager resources on useless or superfluous items. Thus, the fact that when the majority are undergoing a crisis and living in poverty, those who have economic resources are squandering them, is cause for widespread social concern and poses enormous risks.

9. Danger of the Disappearance of Some Middle Classes

Years ago, a middle class of professionals and skilled workers began to emerge in Mexico, struggling to rise out of poverty through the production of goods and services. These people began to consume, act and think like the higher social strata. Because of this, on occasion they lost touch with the poor and no longer felt solidarity with them. Now, as the prices of everything have risen above any wage increases that are granted, the middle classes, paying more, have tended to cut their consumption. This benefits a minority of producers and merchants whom Pope John Paul II denounced as "rich people who are getting richer at the expense of the poor who are getting poorer" (Opening Speech at Puebla '79, III, 4). In addition, we have learned that at present most people spend 70 percent of their wages just to buy food; and prices for rent and services have gone up tremendously. Thus, the middle classes are anguished because they cannot maintain their standard of living; they try to assure themselves of housing, clothing and transportation, but they must cut their budget for food, education and recreation. At the rate things are going, the middle classes could disappear in a short time.

10. Poverty of the Majority

We see poverty on the rise in this region. The deprivation is terrible. In the markets in towns and on the outskirts of our cities, supplies are not as good as they used to be. Hunger is becoming apparent in these communities. In some places, people are known to have starved to death. Many dress in dirty rags because they do not even have soap to wash their clothing. In these times, we have reached the highest levels of unemployment, which not only produces the aforementioned problems, but also generates personal and social frustration. Thousands and thousands of people are clamoring for a job, which could certainly be created if capital were reinvested instead of spirited out of the country. It is unfair to force Mexico to cut wages and jobs during these times of crisis. This situation of poverty, as the bishops stated in Puebla, "marks" the vast majority of people in this region "as if with a stamp" (cf. Puebla '79, no. 1129 among others), and it is a scandalous situation (Ibid. no. 1154) that threatens to spread even further.

11. Social Problems of the Poorest Sectors

Frequently we have pointed out that the Indians and peasants have been deprived of their land, exploited as laborers, and deceived or forced into planting drug-producing plants, as people take advantage of and manipulate their poverty. Moreover, many workers and peasants who ask for wage increases in accordance with the law, through well-established, ordinary channels, watch in dismay as the majority of decisions favor businesses. This leaves them

with no social arbiters to assert their rights. They say that the official entities only benefit capital and discriminate against labor, and this, according to faith and as John Paul II asserted, contradicts the will of God. Labor has priority over capital (cf. *Laborem Exercens* 12).

This creates a tense social situation in which hunger leads many to resort to the extremes of theft, assault, and even prostitution to survive. This "criminality," in some cases, can be interpreted as a way of struggling for life rather than a form of deliberate delinquency. Thus, the social pressure increases, and it could reach levels that unleash violence and social repression, which no one wants (cf. our position on violence, in "Accepting the Political Commitment in the Christian Way," 112-120; *DOCUMENTACION E INFORMACION CATOLICA* (DIG) 10, 1982, p. 249).

12. Some Christians Exploit Their Brothers

In short, we as pastors are concerned about the fact that, in everything we have pointed out here, it is clear that some Christians are exploiting their brothers. It is not just that sometimes personal decisions are made to do so, but more importantly, we are living in a society that claims to be Christian, yet on the contrary it is based on an unjust social system that enables some to take advantage of their social position, their superior education, their relations with those in power, and existing structures and institutions, to dominate and exploit their fellow men. We feel this is primarily a problem of spreading the Gospel, and it challenges us because the anguish of the poor and afflicted is the anguish of the servants of Christ (cf. Vatican 2, *Guadium et Spes* 1).

Both those who benefit from this situation and those who suffer from poverty and misery come to our Churches. How can we as pastors serve both sectors? We have often talked about the plight of the poor and their evangelization; we address this Letter primarily to those who have property and wealth. We are doing this as a consequence of the philosophy of giving priority to the poor that we try to follow in our pastoral activities in this region. This preference is neither exclusive nor excluding, but rather demands that all exhibit a fraternal solidarity, especially with the neediest. The Pope urges this solidarity on all of us when he says: "The Church is thoroughly committed to this cause, because it considers the cause to be its mission, its service, the verification of its loyalty to Christ, so that it can truly be the 'Church of the poor'" (Encyclical "*Laborem Exercens*" 8; Cf. also the principal speeches by John Paul II on his recent visit to Central and South America and the Caribbean). "God is everyone's God, but he is most merciful to the dispossessed of this world" (John Paul II, Homily at the Santo Domingo racecourse 5).

II. Property and Wealth in God's Plan

13. The First Worldly Good is Creation

Property and wealth have always been regarded in close connection with individuals. For this reason, economic goods and wealth constitute a moral

and theological issue. Moreover, according to the faith, worldly goods are intimately related to God and His Plan for Salvation.

He created all things (cf. Genesis 1:2), and He made them "very good" (cf. Genesis 1:31). In other words, all worldly goods have their origin in God, who gave them to people (cf. Genesis 1:28) to fulfill His will by using them and mastering them. He who accepts the Word of the Lord adopts the attitude of Job, who used wealth to free the poor who cried out; he acted with justice and right, becoming the eyes of the blind, the feet of the lame and the father of the poor. He snatched the poor from the jaws of the wicked (cf. Job 29: 12-17). Therefore, we should value and appreciate things because they are a reflection of God's will, and they contain the Word of Him who made them. Whether we believers have a respectful or unjust attitude toward the things of creation and wealth is measured in relation to our brothers, who are flesh of our flesh and bone of our bones (cf. Genesis 2:23); in that integral relationship, we clearly demonstrate our attitude toward God.

In many parts of the Bible we see that when we also place our goods at the service of our brothers in accordance with God's Plan, these goods become a benediction that God Himself gives to him who fulfills His Word (cf. Genesis 13:2-5; Job 1:1 ff.; Psalm 112:1-3). We read that Abraham was rich in cattle, silver and gold; and that Job, being wealthy, had everything as a good given him by God; in praying, the faithful community said that he who had wealth was blessed, and his justice would remain forever (cf. Genesis 13:2 ff; Job 1:1 ff; Psalm 112:1 ff.).

14. The Function of Property in God's Plan

Creation, then, is the highest value in the worldly order. But goods have no value in and of themselves. As we saw, our appreciation for goods lies in the fact that they are related to their Author, that they have a function in God's Plan, and that they are closely tied to people.

In the Book of Genesis, we read that God made man and woman (1:26) so that they could use all things, have dominion over the land, and thus feed themselves and live (1:26-31). For this reason, man and woman have a God-given right and duty to work so that in all property the function God assigned is carried out. In other words, by working the land, changing it, turning natural resources into any kind of goods and using them, we are carrying out the function that God gave them. But as His Holiness John Paul II reminds us, by doing this we should not contradict that other function that goods should have for all people, and that is that they should provide us with life and food, and that all of us should really benefit from them (*Laborem Exercens* 14). To fulfill this goal, God wanted his People as a people to have all things under the image and reality of a Promised Land where no one lacked anything (cf. Exodus 3:17).

For this reason, only he who honors creation and gives it the common function it has for the people really considers God as his creator. On the contrary, misusing goods and resources or hoarding them to the detriment of others is a betrayal of God's Plan, which gave everything to everyone out of love. God's

Plan is for us to live as brothers. Goods are an indispensable condition for our growth and self-actualization.

15. All Property Is God's

According to these words, no one who has faith can use wealth and goods arbitrarily, or hoard them to the detriment of others, because that would contradict the will of God. Only he who in his business and industry helps his colleagues and workers benefit from the goods they all produce together, with Christian justice, can say as David did: "Lord, all that is in the heaven and in the earth is thine" (I Chronicles 29:12). God commands us that when we use material things, others should benefit as well, because these are His goods, and He wants them to be used in this way (cf. John Paul II, mention of "the social mortgage," Speech to the Indians and Peasants in Cuilapan; Laborem Exercens 4).

16. Value of Personal Property and Wealth

In the Sacred Scriptures we are told that wealth is not an end in itself, but a means we must use to be able to carry out God's Plan for His People in our history. There are many passages in the Bible that mention wealth in an ironic tone, when owners of wealth were not allowed to use it to carry out justice as they should. Thus, Saint Job says: "Wherefore do the wicked live, become old, yea, are mighty in power?" (Job 21:7). God's wisdom caused the psalmist to say: They that trust in their wealth act like fools; they will not redeem their souls, and will leave their wealth to others (cf. Psalm 49: 6, 11). The word of God accuses those who make wealth and do not remember that they too must carry out the will of God.

17. Injustice Perverts Property and Wealth

If God made all natural resources, and he commanded us to master them and turn them into goods and wealth, then why do the Sacred Scriptures criticize people who become rich? What makes wealth and its owners not fully carry out the function God gave them? The reason is that wealth, in many cases, was either obtained unjustly or is used in such a way that prevents others from obtaining it.

In this way, wealth becomes an injustice against creation, because we thwart its universal function; it becomes an injustice against people, because we deprive them of the right to work creatively and to partake of the goods they create; and we make wealth unjust to God, because in this case we are putting property ahead of God, thus succumbing to the grave sin of idolatry. Idolatry consists not only of worshiping idols and statues (cf. Isaiah 40:12-20), but also of overvaluing works and goods themselves (cf. Wisdom 13-14). Isaiah prophesied that those who are full of silver, gold and riches fill the land with idols (cf. 2:6-8); for this reason, St. Paul finally stated clearly that covetousness is idolatry (Colossians 3:5, Ephesians 5:5).

18. God's Judgment of the Injustice of Ill-Gotten or Misused Wealth

Often wealth is obtained at the expense of employees, customers, workers, other people's property, or on the basis of evil laws and social systems that permit wealth to be generated at the cost of poverty and misery; this is what injustice and idolatry are all about. He who prospers through injustice is called an "infidel" who "lacks piety toward others and toward God." This is why the rich person is also called "evil," "a vision of the night," "voracious" and "wicked" (cf. Job 20:5-8, 21-29). Even in the Old Testament it says that the rich man abuses the poor and miserable to get rich; he does not give the poor what he should, but watches him and treats him with arrogance; Jehova will leave him empty-handed, will cause him to perish, and will exterminate him and his descendents (cf. Psalm 37). These harsh words are understandable, because in the spirituality of the Old Testament, to trample the poor is to rebel against God (cf. Amos 5:11-13, Proverbs 14:31, 17:5, Ecclesiastes 34:18-22).

19. God's Justice Dispossesses the Unjust

Frequently God's judgments and punishments take place in a very crude way, whenever people who have unjustly obtained property have prevented others from living a decent life; thus, this injustice exhausts the patience of those who suffer under it. For example, we see that God dispossesses the unjust, and with this same action he does justice to the weak: Jehovah had promised to judge the Egyptians who were exploiting and impoverishing the Hebrews (cf. Genesis 15:14, 45:20), and He did so when the Israelites robbed the Egyptians before their departure and liberation (Exodus 12:35-36). God's justice acts on ourselves and in our society; it gives fully to the poor, and remains forever (cf. II Corinthians 9:9).

III. Jesus and the Early Church on Wealth

20. Some of Jesus' Experiences with People of Means and the Poor

In the New Testament we are told more about the attitude of faith in wealth, through Jesus' words and actions in this regard. In light of Christ's experience with the humble and the well-to-do, the early communities reconsidered Jewish wisdom and spirituality.

21. a) Christ Was Poor

Jesus was born poor because He himself chose to be (cf. Philippians 2:6, Luke 2:1-7). The Lord began His mission by proclaiming the liberation of the poor (cf. Luke 4:16-19), and to achieve that, He frequently contrasted, in words and in deeds, the plight of the poor with the situation of the rich. From among the poor, in view of their just cause, He announced to both groups the message of salvation. Each group was to achieve salvation in a different way, but the two ways were closely linked.

22. b) Conflict between Poverty and Wealth Experienced by Virgin Mary

Mary, the mother of Jesus, expressed this spiritual and social dilemma very dramatically: "My soul doth magnify the Lord, . . . for He hath filled the hungry with good things; and the rich he hath sent empty away" (Luke 1:53).

23. c) Jesus' Life between Poverty and Wealth

The most important times of his mission came when Christ saw the relationship between the situation of the poor and that of the rich: He was born poor (Luke 2:7) but He was adored by wisemen who were traditionally regarded as kings (Matthew 2:11). Before beginning His preaching, He was tempted with the possession of wealth and power (Matthew 4:1 ff.); in His first speech He declared the Beatitudes of the poor (Matthew 5:1 ff.), which according to St. Luke, are followed by curses against the rich and powerful (6:24-26). At the heart of this speech He defined the rich man's position with respect to God (Matthew 6:14) and that of the humble believer with respect to providence (Matthew 6:25-34).

24. d) Christ's Mission and Commitment to Alleviate Poverty

Jesus proclaimed that He was sent to preach the Gospel to the poor (Luke 4:16 ff.). The preaching to the poor proved that he was the Messiah, and he said: "Blessed is he whosoever shall not be offended in me" (Matthew 11:6, 11:2-5). When He sent His disciples, He prophesied that they would turn Him in to the courts (Matthew 10:16-20). He praised God for hiding His will from the wise but revealing it to the simple (Matthew 11:25). His commitment to the poor emphasizes that He Himself is "Jehovah's Poor" (Matthew 12:15-21), but He compared the Kingdom of God to a treasure (Matthew 13:44-46). Amid the greatest deprivation, He performed the miracle of creating an abundance of bread (Matthew 14:13-21). He compared the Kingdom of God to a king who pardons an administrator who is then sent to the torturers for not being merciful to the poor (Matthew 18:23-25).

25. e) Christ Talked with the Rich

Jesus found a rich man who obeyed the commandments, but who did not accept His commitment to the poor; on this same occasion, He gave His most serious warning about the danger of wealth (Matthew 19:16-29). With the parable of Lazarus and the glutton, He explained how, when wealth is an obstacle to awareness and solidarity with the poor, that wealth is reason for damnation (Luke 16:19-31). On the other hand, in the passage about Zacchaeus the publican He told us about the initiative of a rich administrator who was converted and used his money to carry out justice (Luke 19:1-10).

26. f) Jesus Accused the Rich and Identified with the Poor

On another occasion, Christ called the merchants and bankers of the Temple of Jerusalem bandits (Matthew 21:12-13), and behaved violently toward them (John 2:13-17). To explain God's final judgment, He used the example of the faithful administrator who served his servants, and the unfaithful administrator who mistreated his (Matthew 24:45-51). He gave very important teachings when

He was with the tax collectors (Luke 5:29-32). Before He was betrayed, He summed up his teachings and the actions of His mission thus: What they did to one of these, the least of them, they did to me (Matthew 25:31-40). And by "least," He meant the hungry, the ragged, the jailed, the homeless. As we can see, in Jesus' preaching He frequently referred to people of means, and that is why it is necessary to look into some of these key issues.

27. Wealth as a Rejection of the Kingdom of God

In the parable of the Kingdom of God as a banquet, Jesus said that those who did not accept the invitation were landowners, businessmen or murderers (cf. Matthew 22:5-6); they did not go to the banquet of the Kingdom because their occupation and business were more important to them than the Kingdom of God. For that reason, on another occasion, Jesus stated, If with the wealth of this world you have been unable to be faithful in carrying out God's will, how can the Kingdom of God be entrusted to you? (cf. Luke 16:9-12). Thus, to live our faith and accept the risks and commitments of the Kingdom, the Lord tells us: "Take heed, and beware of covetousness" (Luke 12:15), because covetousness makes us prefer wealth to what really matters to the believer: "Lay not up for yourselves treasures upon earth, where moth and rust doth corrupt, . . . But lay up for yourselves treasures in heaven, . . . For where your treasure is, there will your heart be also" (Matthew 6:19-21).

He who becomes attached to wealth truly rejects the Gospel. He who devotes his daily life primarily to seeking wealth always commits many injustices; in contrast, he who has faith and accepts the experience of faith in the Kingdom, uses all his qualities and even his wealth to build this society according to the Kingdom of God. The Kingdom of the heavens is similar to a hidden treasure in a field; he who wants it goes out and sells everything he has to buy that field (cf. Matthew 13:44) because "What good does it do man to win the entire world if it ruins his life?" (Mark 8:36). Christ Himself was tempted by the devil with power and wealth, to prevent Him from carrying out the mission His Father had given Him: "The devil . . . sheweth him all the kingdoms of the world, and the glory of them; and saith unto him, 'All these things will I give thee, if thou wilt fall down and worship me'" (Matthew 4:9).

28. Wealth Separates the Poor and Salvation

In the parable about the rich man and the poor man Lazarus (cf. Luke 16:19-31) we are told that one lived in opulence and the other in misery. The two died, and the poor man met with Abraham, while the rich man was beset with terrible torments. The rich man was concerned about the salvation of his brothers, and asked Lazarus to go warn them so that they would not end up in the same place of suffering. The Gospel does not say that the rich man was bad, it simply points out that he had not been aware of the presence of the poor man, nor had he been merciful to him by using his wealth to remedy his plight. Wealth had placed an abyss between the two men, and this abyss that had existed in their lives was the same abyss that exists between salvation and damnation, an abyss that is impossible to close. For that reason, Lazarus could not go to warn the rich man's brothers. Wealth may prevent us from hearing the Word of God and from regarding the poor as our brothers. With this parable, Jesus clearly

taught us that for wealth to avoid being unjust or becoming a reason for damnation, it must also be used to serve the poor.

29. Wealth as a Rejection of God

We choose wealth and reject God Himself either because we have surrendered to evil or because we have succumbed to a predominant culture whose idols are power, possessions and pleasure. By trusting in wealth, little by little we lose our faith in the will of God and we reject God Himself. Jesus expressed this very clearly: "No man can serve two masters: for either he will hate the one and love the other; or else he will hold to the one, and despise the other. Ye cannot serve God and mammon" (Matthew 6:24). In fact, when the Magisterium of the Church proclaims the evangelical truth, some wealthy people even reject the Church as well, labeling its ministers communists and subversives. On occasions, this rejection of Christ may become very specific, for monetary reasons: Judas, enemy of Jesus, went to the chief priests and told them: "What will ye give me, and I will deliver him unto you? And they covenanted with him for thirty pieces of silver" (Matthew 26:15), which was the price of a slave.

30. A Young Rich Man Sought Jesus

The first three evangelists told us of a young rich man who went in search of Jesus (cf. Matthew 29:16-26, Mark 10:17-22, Luke 18:18-23). This is a beautiful passage, full of experiences and teachings. St. Mark did not describe the person in great detail, saying simply that he was "a man" (10:17). St. Matthew explained that he was "a young man with great possessions (19:22). St. Luke was more specific, saying that he was "a ruler . . . very rich" (18:18-23). All agreed that he took the initiative to go and seek out Jesus: "One came and said unto him . . . there came one running . . . and kneeling before him, asked him" (Matthew 19:16, Mark 10:17, Luke 18:18). This same attitude was shared by the rich official, Zacchaeus (cf. Luke 19:2-4). We also have known rich people who, like the young man or Zacchaeus, are anxious to learn to know the Lord.

31. The Rich Man Is Concerned about Doing Good

The first thing the young man asked Jesus was: "Good Master, what good thing shall I do, that I may have eternal life?" (Matthew 19:16). This means that he certainly was concerned about doing good and finding a way to save himself. Any society's culture, religion and law usually seek the common good of its members, but as we see in this passage, some people who have wealth perceive that the Gospel and Christ are the way to eternal salvation. Jesus reminded us that he who truly believes must go beyond purely moral and legal good; he must go as far as evangelical good, to conversion, to God's justice, to God Himself. That is why He said to him: "Why callest thou me good? There is none good but one, that is, God" (Matthew 19:17). If one wants to be good, it is enough to obey the law: not to kill, not to rob, not to defraud, not to deceive, to respect one's parents. The commandments also tell us these things. That is why the Lord answered that to be a good person and attain salvation he needed to "keep the commandments" (Matthew 19:17). It so happens that the young rich man had been obeying them for a long time (Matthew 19:20),

so Christ "fixing his glance upon him, loved him (Matthew 19:21). It is the same now: the church has a great deal of respect for people who enjoy a comfortable life economically and socially and obey the commandments.

32. What the Good Rich Man Needs

The young rich man suspected that believing in the Lord would require something more than being good. That is why he asked: "What lack I yet?" (Matthew 19:20). Jesus answered that for him who is already good but also wants to commit himself to the justice of the Gospel, "there is one more thing" (Matthew 19:21). In all religions and places, there are people who are good, but there are not people who really live the Gospel in all places. To really live one's faith in Christ it is necessary to "be perfect" (Matthew 19, 21). For Christ, being perfect meant "Be ye therefore perfect, even as your Father which is in heaven is perfect" (Matthew 5:48). In other words, one must accept the commitment to carry out the justice, love and peace of the Kingdom of God. The believer can be perfect only if he is like the Father, if he does what God the Father wants him to do, that is, to make His Kingdom. That is why Jesus told the youth that if he wanted to be perfect, if he wanted to help bring about the Kingdom, he had to go one step further: "If thou wilt be perfect, go and sell that thou hast" (Matthew 19:21). According to Christ, it is necessary to rid oneself of one's attachment to wealth, because as we have already clearly seen, wealth is a danger to the believer, and when it is pursued as an end, it comes from injustice and is the product of sin (cf. Mark 10:23-27, Luke 18:24-27). God Himself, to achieve redemption and become flesh, "being in the form of God, . . . took upon him the form of a servant" (Philippians 2:6-7) to become like us, except in sin (cf. Hebrews 4:15). That is why he asserted: "So likewise, whosoever he be of you that forsaketh not all that he hath, he cannot be my disciple" (Luke 14:33).

33. Being Perfect

We often think that to be good Christians, the only thing Christ asks of us is that we observe the commandments; as we said in no. 25, not to kill, not to rob, not to deceive, etc. But that is also demanded by society and the law for us to be people, for us to live with self-respect. We also think often that the Lord calls upon only those who have a special religious vocation in the People of God to "be perfect" and give up their wealth. In the Gospel, however, it states clearly that "being perfect" is what Jesus demanded of all his disciples, all his followers, all believers. In the Sermon on the Mount, He spoke of "the multitude" (Matthew 5:1), and said that to be the children of God, it is necessary to be perfect like the Father in heaven (cf. Matthew 5:43-48). In other words, what Jesus asked of the young rich man is in fact what we must all do. that perfection of which the Lord spoke is achieved not only by casting off our attachment to wealth ("Go and sell that thou hast"), but also, most importantly, by placing wealth at the service of the needy ("and give to the poor") (Matthew 19:21).

34. Doing Justice to the Poor as Christ Did

When Jesus invited the rich man to have faith in the Gospel, to sell everything and give it to the poor, He was inviting him to share the same mission

He had received from His Father, which He was carrying out with the power of the Spirit: "The Spirit of the Lord is upon me, because he hath anointed me to preach the gospel to the poor; . . . to preach deliverance to the captives, . . . to set at liberty them that are bruised, to preach the acceptable year of the Lord" (Luke 4:16-19). Christ asked and demanded that all who wanted to be his apostles and disciples give preference to the poor (cf. Matthew 19:29). But "giving to the poor" is not just giving in any old way; it is giving as brothers, with respect, dignity, and good will; in other words, within the perspective of building the Kingdom of God, just as Jesus did. For this reason, He said to the young man, "Come and follow me" (Matthew 19:21). This attitude of giving to the poor as brothers is an attitude of Christian love, a love greater than our attachment to wealth and to ourselves.

35. The Serious Obstacle Posed by Wealth

This appeal from the Lord to the rich man is brief and clear. The young rich man who heard it was good; he obeyed the commandments, he got to know Jesus personally. The Lord loved him for his moral behavior, and invited him to help Him build the Gospel of the poor. But the rich man did not want to; he got very upset. He had an obstacle, wealth: "He went away sorrowful, for he had great possessions" (Matthew 19:22). St. Mark wrote that the young man was "grieved" (10:22); St. Luke, on the other hand, stated that the publican Zacchaeus said: "Behold, Lord, the half of my goods I give to the poor; and if I have taken any thing from any man by false accusation, I restore him fould" (Luke 19:8).

With the young rich man, Christ had no choice but to confirm what the spirituality of His people and He himself had experienced: "Verily I say unto you, that a rich man shall hardly enter into the kingdom of heaven" (Matthew 19:23). In the passage about Zacchaeus, who was converted, Jesus said to him: "This day is salvation come to this house" (Luke 19:9). Thus, the word of God helps us understand very clearly that with wealth, one can follow two paths: one is to become attached to wealth, and therefore to stray from the Gospel and Christ, as the young man did; the other is to convert, that is, to accept Jesus' invitation, to join the poor and restore justice, as the rich publican Zacchaeus did.

36. The Early Communities and Wealth

As the Acts of the Apostles indicate, in the early years of the Church not very many rich people were converted. The Apostle St. James wrote a few years later: "Go to now, ye rich men, weep . . . the hire of the laborers who have reaped down your fields, which is of you kept back by fraud, crieth; and the cries of them which have reaped are entered into the ears of the Lord of Hosts" (f:1-4). Moreover, he said that the rich would continue to oppress the poor and would drag them to the courts blaspheming (cf. Epistle of James 2:6-7). The poor communities, wishing to express the brotherhood and love that Jesus had lived and taught, shared their bread among themselves and lived in the fellowship of brotherhood (cf. Acts 2:42). They did not have the commitment of the wealthy, but they believed that the Lord would be able to convert these people, though it seemed humanly impossible, because "everything is possible for God" (Mark 10:27).

37. From the Beatitudes of the Poor

We believe that the program of the Beatitudes that Christ made for the poor should be made a reality. God is with them to achieve this, and the rich who want to follow the Lord must help the poor to become blessed, to possess land (Matthew 5:4), to be consoled (5:5), to receive full justice (5:6), to make an effort so that all believers will work together to make the Kingdom of God theirs from now on (5:1). To achieve these beatitudes, those who enjoy a middle-class and upper-class economic situation must accept the commitment to give preference to the poor and bring about the beatitudes in cooperation with the poor, so that we can all live the good news of the Gospel. The rich should also experience the first beatitude, throwing off their attachment to wealth and taking up common cause with the poor. Only if they become "the poor of the spirit" can they join the Kingdom of the Heavens, and thus it will be possible to verify the Word of the Lord when He mentioned the great difficulty the rich will have in attaining salvation: "With men this is impossible, but with God all things are possible" (Matthew 19:26).

38. The Poor of the Spirit

According to the spirituality and religiosity of the Bible, the Spirit is the creator (Genesis 1:2); it is life (Genesis 2:7); it is wisdom (Deuteronomy 34:9); it is blessing (Isaiah 44:3); it is renewal (Psalm 104:30); it is prophetic judgment (Micah 3:8); it is service to the people (Numbers 27:18, 23); it is convocation (Judges 6:33-35); it is daring (Judges 11:29 ff.); it is force (Isaiah 11:2); it is liberation (Isaiah 61:1, Luke 4:16 ff.); and it is love (Isaiah 11:2).

Sometimes committed to the poor, other times sinning in the use of goods, we firmly believe in the presence of the Spirit in the People at this time, and therefore we believe that the Lord will give His Spirit to those who seek it, so that with creativity, vitality, wisdom and prophetic attitudes, through a profound renewal, serving the people with daring and courage, through the power of love we can achieve the liberation and evangelization of those who possess wealth, so that they will use it with justice according to God's will. This will enable the first Beatitude of the Sermon on the Mount to be applied to the poor and the rich alike: "Blessed are the poor in spirit, for theirs is the kingdom of heaven" (Matthew 5:1). On the one hand, the poor must change their situation by bringing about the justice of the Kingdom; on the other hand, those who possess material, professional or cultural goods must also convert so that their property and their persons will contribute to changing that situation and renewing it.

IV. Pastoral Guidelines

39. For the Evangelical Use of Wealth

All those who have some hierarchical ministry in the Church also have an obligation to provide pastoral service to preach the Gospel as well to the well-to-do who possess resources, so that wealth may strengthen the processes of conversion and evangelization in the People of God. Given that our ideas about wealth and our use of it usually come out of our social and cultural

experience, and that our treatment of property is determined by the cultural and social values that surround us, it is clear that laypeople have a special vocation to Christianize these realities and resources, and to ensure that they are used for the ends that faith requires (cf. *Gaudium et Spes* 43).

40. Knowing the Origin and Use of Wealth in Our Society

An essential point for all of us to be able to deal with wealth responsibly and with evangelical efficacy is to know exactly what mechanisms and situations create personal and family wealth. Above all, we must see clearly the labor, production, market, distribution, legal and institutional, social structure, economic and political mechanisms (cf. Puebla '79 no. 30) that create wealth and are responsible for the fact that many poor people who work to create wealth are isolated from it and deprived of it. This is because almost all the economic benefit of capital is appropriated (John XXIII, *Mater et Magistra* 76; John Paul II, *Laborem Exercens*, 12-13), so that the workers always stay poor, or even sink deeper into poverty.

Generally we are unaware of this, because the education we receive and our surroundings do not help us to discover possibilities for changing this situation (cf. Puebla '79, no. 1014), and we find it normal for some to grow rich while others grow poor. As we have seen, these circumstances are the result of sin (cf. *Ibid.* 70), and they are diametrically opposed to God's Plan for creation and the spirit of the Gospel.

41. The "Justification" of Wealth and Conversion of Social Structures

Frequently, for cultural considerations and reasons of convenience, we Christians also offer this justification because we live in social structures that reinforce an individualist view of people. We are tempted to justify our wealth by considering it a good that God has granted us, although we know that we have obtained such wealth by trampling justice. This shows how easy it is for wealth to become an idol, and it is imperative that we examine it and our treatment of the poor so that we can unmask the sin contained in this wealth and use our property for the purpose of building brotherhood.

The social mechanisms that generate wealth and distribute it poorly are unjust, and they should be boldly denounced (cf. *Ibid.* no. 1160). Since those who are in the upper classes also have the ability to influence institutions and structures, if they accept the challenge of the Gospel and act with firm faith, they will be able to make decisions that will begin to yield real signs of change within their own social milieu. This task essentially demands that the inhuman and sinful aspects of society be denounced (*Ibid.* 310-312) and that the social structures that contradict the Gospel be converted (Paul VI, *Evangelii Nuntiandi*, 19).

42. The Need for Mercy and Charity

Working to change social structures requires a firmness, conviction and commitment that only the Spirit of Christ can sustain in us. These ineluctable efforts do not excuse us from taking direct, immediate action, on the other

hand, to provide aid, charity and mercy, and to share (cf. Paul VI, Octogesima Adveniens 16). These actions should never, however, consist of giving what is left over, the crumbs; we should distribute our goods liberally (Ibid. no. 51) for reasons of justice, and with joint actions that will surely lead to justice (cf. John Paul II, Speech to the Indians and Peasants in Cuilapan). Today, loving is practicing justice (Puebla '79, no. 327).

43. Giving of Oneself in Service to Others

An even greater act of mercy is when those who have property, technical capacities or other abilities coordinate resources, efforts and themselves to carry out economic, social, cultural and religious projects for the direct benefit of the poor. The latter are considered not mere inert receivers of our assistance, an attitude which would essentially condone the unjust system about which we have expressed our moral judgment many times. Rather, these actions should be accompanied by a methodology whereby the poor themselves deliberate, decide upon and take the actions required for their own integral, evangelizing liberation (cf. Ibid. no. 487). This example of people giving of themselves in integral evangelical service to the poor attests to the fact that for us, the poor are the most vivid presence of the Lord (cf. John Paul II, Speech to the Poor of the Minas Barrio in Santo Domingo).

44. We Are Stewards, Not Owners, of All Property

What we have suggested as a Christian commitment to give wealth a function in keeping with our faith can only be achieved if we begin to put into practice the idea that in no way are we the absolute owners of the property and wealth that we possess; rather, as the Church has traditionally taught, we are just the stewards (Summa Theologica 2-2, Q 32, a.5, ad 2). Goods should be distributed to all under the guidance of justice and love (cf. Gaudium et Spes 69). For this reason, all believers, according to our different responsibilities, should act decisively in politics to ensure that the economic and social structure safeguards the real right of all persons to possess the goods necessary for them to lead the spiritual and material life that befits the images of God, the children of God (cf. John XXIII, Pacem in Terris 146). Even personal goods and talents, whether innate or acquired, are gifts from God, granted for the common good; they are not just a personal possession, so we should not use them for exclusive, personal benefit.

45. The Function of Property Is Not Just Personal but Communal

We make these commitments in consideration of the fact that, given their origin, property and natural resources, from the moment they are created, should serve the community first, and then the individual. The same can be said of other goods and wealth created by those resources; in other words, the products of labor, technical advances, financial services and all human productivity, including cultural goods, should benefit all members of the community and of society. Therefore, at the level of relations among groups and societies, property should benefit the local communities or the national community first and foremost; because, as the Church has traditionally maintained, the right to possess private property entails a real and effective responsibility to serve society (John XXIII, Mater et Magistra 119). It is

not legitimate, it is not Christian, to possess an abundance of goods and to squander them, when the majority of the population lacks even the most elementary goods and services. For this reason, John Paul II reminded the Indians and peasants in Cuilapan that, under these circumstances, they have the right to resort to expropriation. The social conflicts that are taking place today, and the even more serious ones that could take place, unfortunately, if we do not behave responsibly, can only be counteracted if all are given the real possibility of possessing the goods necessary to meet their needs adequately and decently, since all have the right to such possessions through their work and their wages. This is the ancient and current doctrine of the Church (cf. Leon XIII, *Rerum Novarum* 33; *Gaudium et Spes*, 69; John Paul II, *Laborem Exercens* 14).

46. The Natural and Divine Right of All People to Possess Property

We adhere to the principle that all people have a natural and divine right to possess property, and to have their human dignity respected, so that Christian brotherhood can be established. We recall this principle, and we urge everyone to put it into practice, because as we have already seen in Section 11, there is a divine right for all goods and wealth to be shared by all. This was taught by John XXIII and by the Vatican Council II (*Mater et Magistra* 119; *Gaudium et Spes*, 63). This was Christ's concern when He spoke of the Beatitudes and in His evangelical conversations with rich people, which we have already cited.

47. Creating Jobs

The vicious circle of high prices reducing demand and lowering production can only be broken with the creation of jobs that generate goods and services for which there is a real demand in society. This would increase the people's buying power, and therefore would raise productivity and truly benefit society. By taking on this commitment, we are helping everyone obey God's commandment: "Be fruitful, and multiply, and replenish the earth, and subdue it" (Genesis 1:28 ff.). In this way, everyone will have the right to work and to be the image of God, the first worker: He made everything, and in addition, "planted a garden . . . in Eden and there he put the man whom he had formed" (Genesis 1:1 ff. 2:8).

48. Social Justice as a Dynamic of Change and Conversion

All of the above is aimed not only at achieving a just distribution of property, not only a share of goods corresponding to the efforts each person can really make to serve the community. What the Magisterium of the Church proposes is a just distribution of resources, goods, talents, abilities and culture on a broadly social level, so that all of society can benefit from all available goods, without excluding individuals or groups (cf. John Paul II, *Laborem Exercens*, 15 to end). This is a distribution of goods and wealth like that practiced by the early Christians, who "parted them to all men, as every man had need" (Acts 2:45).

49. Christian Commitment to Any System of Ownership that Meets Evangelical Justice

The commitments we have indicated can never be sincere if they do not have a real, concrete impact on our system of property ownership, if it is unjust and produces injustices. In this regard, we should ask some serious questions. For the believer, it is not a matter of having a good system of ownership from a strictly legal standpoint, in terms of words and letters; it is a matter of striving for a real system that produces evangelical justice, since as the Church has always contended, property should be available first of all to meet the needs of the poor (cf. John XXIII, *Mater et Magistra* 120), since they cannot, as we are well aware today, meet their own pressing needs in reality or in the legal sphere.

50. Giving Preference to the Poor

To comply with the requirements of the Gospel sincerely and completely, it is necessary to "Give Preference to the Poor" (cf. the document we published in 1977, "Our Christian Commitment to the Indians and Peasants of the Southern Pacific Region," see DIC-6-1978, p. 125, and the results of the 3rd General Conference of the Latin American Episcopate, held in Puebla in 1979). The Church requires that we give preference to the social poor (cf. Puebla 1135, note 2), "no matter what moral or personal situation they are in" (Puebla '79, no. 1142). Otherwise, it is not possible to make what we believe and hope real and true in the here and now. How can we share? How can we bring about justice? How can we ensure the participation of everyone? How can we change the current structures, if we do not have a preferential love—not exclusive or excluding, but involving—for those who are really suffering under these structures? Without this preference, doesn't a desire for change mean a desire to change the structures? The conversions we want as Christians have a historical subject, the poor, destined by the liberation of Christ to be part of the new people of God and to inherit the Kingdom.

This preference, as our Puebla '79 document states, is founded on many Biblical and theological premises (cf. 1141-1152) which assure us that by serving our poor brother, giving him access to the goods that we already enjoy to a greater or lesser extent, we are serving Christ, who fully identified with the poor through His Incarnation, His act of redemption, His Resurrection. Without this preference, no one can say that he has chosen Christ, since Jesus Himself was a poor man and identified fully with the poor (cf. Matthew 25).

51. The New Civilization of Love

The true evangelization and Christian commitment place all material, technical and cultural goods and religious values at the just and integral service of the social, political, cultural and religious life of all the people. Those who have wealth and other goods are people who have used a lot of talent to obtain such means. These abilities, purified and converted, should also be placed at the service of the faith, in a tremendous, grand project the Church has called "The New Civilization of Love" (cf. Puebla '79, Message to the Peoples of Latin America," and no. 1118). Thus, the Church calls upon all

people who enjoy middle- and upper-class economic goods and resources not simply to spend their wealth passively, but to engage in a profound activity through which, with their creative goods, talents and wealth, they can build that New Civilization of Love.

52. Labor and Capital to Make Decent People and Society

The Civilization of Love cannot be built overnight. It will rise up gradually on the basis of profound changes, in which property ownership, capital and labor are understood and used in new ways to enable everyone to achieve his potential by helping to build a decent society and decent people, with a dignity that befits the children of God.

53. Private Property and the Right to Common Use

The social project of the civilization of love also demands, in the economic sphere, a complete effort at all economic, social, political, cultural and religious levels, to achieve for everyone "the right to private property as a subordinate to the right to common use." This implies designing a new society "without social contrasts between property ownership and labor . . . giving priority to labor over capital and the means of production" (John Paul II, *Laborem Exercens* 14).

54. Constant Revision and Social Efforts for Christian Socialization

We rejoice along with all those people who possess economic goods and resources and who, with sincere faith, want to coordinate their efforts so that, in the words of Pope John Paul II, in the entire economic process "the irreproachable dogma that defends the exclusive right to private property" will yield, because it is an excluding "right." As the Holy Father stated, it is necessary to "continually revise" our current economic system "from the standpoint of the primacy of labor," to reach, as he advocates, "a socialization in which all people, based on their own labor, have full title to consider themselves at the same time 'co-owners' of that great workshop where all are committed to each other" (*Laborem Exercens* 14).

55. Study of the Recent Social Magisterium for an Updated Action

The most recent words of the Church's Social Magisterium can be found in the "*Laborem Exercens*" Encyclical by His Holiness John Paul II. To respond to the requirements he sets forth in a responsible manner that is in keeping with the times, it is imperative that a careful study of this document be undertaken. Practical social means must also be sought to develop the Christian project on the resources, goods, wealth, technology, culture and everything that is created with them, so that our economic, social and cultural experience can be an experience of faith.

56. We Are All Responsible for Each Other in Building the Kingdom of God Now

According to the demands of faith, people who enjoy economic goods should be open to the evangelizing power of the poor, and through them they should in turn evangelize those who have not converted to evangelical poverty. In

addition to working directly and effectively to change social structures so that injustice can be prevented, which the poor are very happy to contribute to or to do on their own, they should make an effort to move integrally toward the realization of the other social aspects that display the characteristics of the Kingdom of God: holiness, grace, liberating truth, justice, love and peace, for every individual and for all people. In this way, we will be able to see our society implement the words Jesus spoke when He began His mission: "The Kingdom of God is at hand" (Mark 1:15).

57. An Ideal that Was Already Put into Practice in the Beginning

All that the Church is now teaching has been desired and experienced by Christians since ancient times. In a general way, it was put into practice when the believers held everything in common and distributed it to each according to his needs (Acts 2:44-45). "Neither said any of them that ought of the things which he possessed was his own" (Acts 4:32); and thus, "Neither was there any among them that lacked" (Acts 4:34). They based their behavior on "the apostles' doctrine . . . and in prayers" (Acts 2:42). They all "were of one heart and of one soul" (Acts 4:32). This was how they strove to bring about the utopia of the Kingdom of God that Jesus had announced to them in words and deeds. For the early communities, meeting the needs of the poor was essential to earning God's love: "But whoso hath this world's good, and seeth his brother have need, and shutteth up his bowels of compassion from him, how dwelleth the love of God in him?" (I John 3:17).

58. Christian Love

Christian love is the underlying motivation of the Gospel. We can seek justice through altruism, through need, even through fear that the class struggle will degenerate into a social conflagration; the Christian, however, carries out his commitment through love. We are convinced by our faith that without love, even if one has everything else, it does no good (cf. Corinthians 13:1-3). With fraternal, willing love, on the other hand, all virtues are possible and all vices can be corrected (cf. Corinthians 13:4-8). The new commandment of love (cf. John 15:12) contains all the truth and all the reality of the Gospel. The commitment which we urge all people who have and enjoy a middle- and upper-class economic and social situation to accept is a serious and difficult commitment, with very specific economic, social, cultural and religious implications. It is a commitment of love, of agape, of sharing with our brothers for reasons of faith, which means sharing with God. God is love, God is agape, and "he that dwelleth in love (sharing) dwelleth in God, and God in him" (I John 4:16).

V. Benediction

59. We Have Written out of Love

It was with hopes and dreams, not without suffering, that we decided to write this Letter. There are three things we wish to tell you from our hearts: We love wealthy people; we understand their personal, social and structural situation; and we want to do them the brotherly service of preaching the whole Gospel to them, moved by our pastoral commitment and the fidelity we owe

God, the Church and our brothers and sisters. We have spoken with the two-edged words of the Gospel (cf. Hebrews 4:12).

Although we are speaking to one sector in particular, we also include the middle classes, and we develop our thoughts of faith and pastoral service from the standpoint of our preference for the poor; we also direct this message to the poor, so that in a spirit of fraternal concern they will place the evangelizing power the Lord has given them at the service of all their brothers (cf. Puebla '79, no. 1147).

No one is excluded from our pastoral love. As the servants of the People of God in the Southern Pacific Region, we want to make an effort to serve all our brothers, those who possess wealth, those who belong to the middle classes, and the poor as well. We fervently hope and pray to the Lord that the first Beatitude will take place in all: "Blessed are the poor in spirit, for theirs is the Kingdom of the Heavens" (Matthew 5:3); and that Jesus' serious appeal will not fall upon anyone: "But woe unto you that are rich! For ye have received your consolation" (Luke 6:24). We must all place ourselves and our resources at the service of the poor, who evangelically speaking, are the presence of Christ in history.

60. Let the Virgin of the Magnificat, who, imbued with religious spirit, said "in truth the Lord did marvels in me," intercede on behalf of all of us, particularly those who are in need or who enjoy a comfortable economic and social situation, so that the Lord Jesus' words, "what is impossible for man is possible for God," can be carried out in us. Blessed are the poor in spirit, for theirs is the Kingdom of the Heavens. Amen.

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CSO: 3248/479

NICARAGUA

PLI PRESENTS OUTLINE OF PROPOSED CONSTITUTION

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[Excerpts] The proposals for the constitution presented by the Independent Liberal Party [PLI] differ radically from those of the FSLN, the leaders of which uphold the thesis that the only source of real power in Nicaragua is the people. The PLI is advocating independence for the judicial and other branches of government, while maintaining that the constitution should guarantee a clear division between the Church and state.

PLI representative Roberto Ortiz summarizes the main ideas presented by that party:

[Begin Ortiz recording] I will try to be specific. The proposal is lengthy, as it is based on the examination of 16 chapters. [numeral as heard; "16 chapters" not clearly delineated in following item] The fundamental principles we believe should be included in the constitution are: real and effective political pluralism; a mixed economy with the effective participation of the private sector and broad coordination between government entities, the People's Ownership Sector, and the private sector.

3. [number as heard] Nonalignment based on genuine and effective international coexistence with all the world's countries, independent of state systems of government, their inhabitants, race, creeds, or political ideologies;

4. Equality before the law without discrimination for any reason, which should prompt lawfulness on the part of all nationals, from the most humble to the highest-ranking revolutionary official;

5. Effective compliance with international treaties that have been ratified in accordance with constitutional procedures, unless these treaties are offensive to the national sovereignty;

6. Legitimate and operational separation between the branches of government in accordance with the situation of the country and Latin America, including the separation of the legislative, executive, judicial, and electoral branches. These branches are to coordinate their actions to

ensure respect and operationability of the revolutionary laws to bypass the obstacles that noncompliance with the laws has caused until now;

7. Genuine and effective separation between the state and political parties. It is recalled that based on the principles of democracy and periodic transfers of power through the inalienable right to vote, the political parties are expressions of political power, not its source;

8. Nonpartisanship of the Armed Forces. This principle will prevent the possibility of regression to the practice of coups d'etat and the establishment of military dictatorships forged at the mercy of the ruling parties' masked popularity;

9. Freedom, in particular, unhampered respect for the following rights:

a. Political, civil, and union association;

b. Freedom of movement and residence within the national territory. It is stressed that this is a universal right of man which is included in international treaties;

c. Freedom of thought and religion;

d. Freedom to decide one's fate and that of one's property in accordance with national laws. This principle does not imply any conflict with that of universal individual and communal rights. Compatibility between individual and communal rights should be effectively coordinated;

e. Freedom of the press and of expression, and the right to elect and be elected representatives of the people to any of the branches of government.

10. Ideological, real, and effective separation between the church and state.

Regarding the organization of the state, which is another of the major points set forth, the PLI proposes:

Characteristics

The state should be republican, sovereign, independent, democratic, and representative.

2. [number as heard] System of Government

The government should be presidential in form, with the positions of president and one vice president, each of which will have specific functions that will be clearly established and defined to prevent abuses of power and intervention by other branches or entities of the state.

3. Branches of Government

The branches of government are: the legislative branch, with the following functions: Exclusive creation of laws without sharing this function with any other branch of the government; sanctioning of treaties and agreements; decreeing states of emergency or suspension of constitutional rights.

2. [numeral as heard] The executive branch, with the following functions: To represent the state both here and abroad, exercise power and the administration of state in accordance with the constitution and by laws of the republic, and guarantee through all available legal means that the country is properly run.

3. The judicial branch, whose function it is to enforce the law while at the same time ensuring the authority of the revolution. In addition, this branch would guarantee the balance of the other state powers and the [words indistinct]. This branch would be formed by the Supreme Court of Justice, the Courts of Appeal, the Higher Labor Court, the tribunals [words indistinct]. Furthermore, no additional courts or special tribunals would be permitted because they would unnecessarily distort (?the administration of justice) and contradict our international relations and the international organizations that protect the rights of men and citizens. The Supreme Court will act as the unifier of legal procedures by its originating a number of interpretations. [Sentence as heard] In particular, this tribunal will ensure constitutionality and watch over the other state branches' fulfillment of their duties. The Supreme Court magistrates will be appointed by the assembly. The magistrates of the Courts of Appeal and the Higher Labor Court will also be appointed by the assembly. The court will appoint all other judges without exception.

4. The electoral branch. This will be formed by representatives of the various parties. Its basic functions are to plan and administer the [words indistinct] of national and municipal authorities.

Regarding foreign policy, we must mention a fundamental aspect. As a sovereign, independent, and nonaligned country, Nicaragua will be able to establish and maintain relations with any country in the world. Nicaragua expressly acknowledges the peoples' right to self-determination and rejects all types of discrimination. In addition, Nicaragua acknowledges the absolute equality between states. May we mention here that, in an eminently legal framework, this entails--although they have not been mentioned specifically--anticolonialism, anti-interventionism, anti-imperialism, anti-apartheid and a stance against all forms of government that foster inequality between states, discrimination, and an attack against self-determination. [End recording]

CSO: 3248/511

NICARAGUA

PPSC LETTER STATES VIEWS ON CONSTITUTION

PA311715 Managua EL NUEVO DIARIO in Spanish 28 Aug 85 p 6

[Letter Sent by the Political Commission of the Popular Social Christian Party, PPSC, to the special constitutional commission of the Nicaraguan National Assembly; dated in Managua on 21 August]

[Excerpts] Managua, Nicaragua,
21 August 1985

Commander of the Revolution Carlos Nunez Tellez
President, Special Constitutional Commission
National Assembly, Managua

Dear Commander, members of the Special Constitutional Commission:

On behalf of the PPSC's political commission, we express our views regarding the type of constitution that should guide our nation based on the questionnaire provided our organization by the subcommission for the national consultation.

Almost unanimously Nicaragua is described as a country in transition. It is necessary to ask: Transition, in what direction? We feel that the future of the transition is controversial and uncertain. However, the starting point offers no room for doubt. It is a transition from underdevelopment, poverty, lack of any democratic traditions, lack of institutions, devoid of political freedoms. This is the starting point of our transition.

The PPSC believes that this starting point determines the basic constitutional principles on which the political constitution must be developed.

We feel that the principles of mixed economy, political and social pluralism, and nonalignment, must not be used as a trick or a means of concealment to make the Nicaraguan regime acceptable to the United States or Western Europe. We do not even feel that those principles are valid as formula for commitments among various internal social sectors.

For us, the principles of mixed economy, social and political pluralism, and nonalignment, represent a revolutionary option for Nicaragua.

This is why we feel that a system with these three elements would have a permanent nature and, therefore, consider it a final objective rather than a tactical and conciliatory resource.

It represents a radical revolutionary alternative for Nicaragua.

The new constitutional order must start from an evident principle: It must accept the primacy of the constitution. All other laws must be under the constitution and all laws that implicitly or explicitly contradict the political constitution must be abolished.

National Economy

The legitimacy of a government is not something permanent or definite. There can be legally established governments that are superior administrators and there can also be illegally established governments legalized through practical experience. One of the bases of the legitimacy of a government is its ability to satisfy the needs of the majority and its ability and will to improve the standards of living of the people.

If the above is a criteria of legitimacy for any government, then for revolutions it is an indispensable requirement.

The satisfaction of the people's most urgent material needs certainly does not only depend on the will of leaders, but on various complex factors as well. Among them are the choice of an alternate form of development and a definite economic model.

For the PPSC, Nicaragua's growth expectancy can only be achieved through a mixed economy program.

We must advance in the definition of the concept of mixed economy; the building of a new constitutional order is a serious task that must be faced with responsibility. Therefore, ambiguity as a political resource must be put aside.

We must recognize that the term mixed economy has resulted in various different definitions, that the concept has even been applied to states with absolutely different economic systems. Professor Paul Samuelson has described the U.S. economy as mixed; Marxist theorist Paul Mattik has applied it to the industrialized countries of Western Europe; Ian Gough has applied it to the United Kingdom; Michael Kaleli has constructed a theoretical development model for Third World countries.

Normally, a mixed economy is considered a mixture of capitalist and socialist economies.

For us, a mixed economy has its own identity and is far from being a sterile hybrid.

The selection of a mixed economy as a means of development for Nicaragua rests upon the country's economic, social, political, and geopolitical reality. It is not an arbitrary choice, or a romantic effort to find an eventual and perhaps imaginary formula for national unity. No. Our choice of a mixed economy rests upon the criteria of economic efficiency and political realism.

The national economy, as is well known, has the following dominant features:

--We lack industry and an internal market large enough to develop it.

--We are an agricultural country seriously affected by the deterioration of trade relations and the reduction of international markets for our export products.

--We have an open economy, highly sensitive to fluctuations on the international market.

--We are burdened by a foreign debt that under present conditions Nicaragua cannot pay. Meanwhile, Nicaragua's position in the center of the Central American isthmus, and our nearness to the United States and the routes where a high percentage of the oil imported by the United States is transported creates very special geopolitical conditions that decidedly affect every phase of our life, including the economic.

The countries where socialism has developed so far offer characteristics that Nicaragua does not have (the amount of land and natural resources in the Soviet Union and China).

We do not want to limit our statement to a brief analysis in favor of mixed economy. We want to present some criteria that would eventually allow us to regulate the mixed economy based on principles derived from the constitution.

1. The state must clearly delimit the area of nationalization.
2. A law on land ownership must be issued, and it must include the land owned by the state, private sector, and cooperatives.
3. A workers' property sector must be created, and it must basically have the following characteristics: a) full participation for the workers in decisionmaking; b) accumulation of surpluses for democratic distribution in society.
4. A national planning council must be created, basically comprised of the government, union, and business representatives to achieve the fulfillment of decisions made. The state will make use of the usual economic policy instruments (fiscal, credit, exchange, and other incentives).
5. The state must guarantee the freedom of internal trade.

6. Confiscation should not be used as a punishment.

7. The following will be considered as measures which oppose mixed economy:

a) those which establish wage limits, either in a general way or by occupation; b) those which force the producers to sell their products to certain buyers at the internal level; c) those which eliminate the rights of the company directorates or directorate members to decisionmaking.

8. The taxes cannot be subject to expropriation or confiscation.

In sum, we conceive the mixed economy with the following general guidelines: An economic system with full participation of the workers in decisionmaking; people's ownership in the production sector; accumulation of surpluses for democratic distribution in society; shared planning in a limited sector of the market; freedom of employment.

The PPSC members assert that the basis for political pluralism lies in social pluralism. The existence of several political parties within a defined system to guarantee the existence of true pluralism is not enough. There are cases in the western hemisphere and Europe which confirm this statement.

Social pluralism--that is, a plurality of autonomous state social organizations that are characterized by the principles of voluntary participation and internal democracy--is in itself the result of a pluralistic concept of culture. In other words, it is the result of the conviction that differences are preferable to similarities, dissent is preferable to unanimity, and change is preferable to immobility. The principles to organize a country's political life and education are inferred from a pluralist concept of culture for a society. The application, in constitutional terms, of our concept of social pluralism gives much importance to education and social organizations (union, community, sports, etc.).

Another important aspect of social pluralism would be implemented by the full guarantee of the right to organize.

Social organizations must be created based on three principles:

- Autonomy of state organizations
- Voluntary participation
- Internal democracy

On a true and effective social pluralism (confirmed through associations and cultural pluralism) can serve as a basis for genuine political pluralism.

Pluralism in the political sector has specific expressions:

- Generation and renewal of power based on a majority of the people's will, expressed through a secret, free, and well-informed vote.

--At least two positions of power will be subject to the people's will.

--Even though the existence of several political parties does not guarantee the existence of political pluralism, obviously this cannot exist at all under a one-party regime. Therefore, the diversity of parties is mandatory for pluralism.

--A multiple-party regime demands the adoption of basic agreements among the existing parties, including an agreement for permanent coexistence so that no party may try to dissolve its adversaries while in power.

--Lastly, we wish to point out that the existence of political pluralism demands that the freedom to organize and meet, and the freedom of press be fully enforced.

A Nonaligned Foreign Policy

The basis of a nonaligned policy is mainly found in Nicaragua's economic structure and its geographic location.

Our economic structure, which we have already mentioned, has turned Nicaragua into a country which is highly vulnerable to international economic problems. The solution of these problems demands the mobilization of an heterogeneous international opinion which could certainly not be mobilized were Nicaragua to adopt an aligned position.

Nonalignment, on the other hand, gives us a margin for action that allows us to fully participate in a broad international movement favoring a new international economic order, which is vital for solving our economic problems.

A foreign policy of nonalignment should be expressed at the constitutional level by banning Nicaragua from participation in military alliances.

The construction of foreign military bases on Nicaraguan territory should be banned.

Nicaragua should not become involved in the internal affairs of other states.

The Nicaraguan foreign policy must essentially serve the national interests, and these should serve as a guide to our actions. The foreign policy of nonalignment implies the condemnation and rejection of the current world bipolarity and any other policy perpetuating the subordination of one state to another. Hegemonism, whatever the ideology, is contrary to nonalignment.

Assuming that mixed economy, social and political pluralism, and nonalignment in foreign policy are the basic principles of our constitutional order, we allow ourselves to propose a definition of the Nicaraguan state as follows:

"Nicaragua is a legal state that upholds social and political pluralism, mixed economy, and nonalignment as the higher values of its legal system."

State Organization

Often, the criterion of the so-called "division of powers" is used as an important element of judgment to classify a government as democratic or not. According to this manner of judging and classifying states, if a government is not organized in conformance with the classical "division of powers," then it is not democratic.

Such a judgment is totally unacceptable. The parliamentary democracies in West Europe actually invalidate altogether the criterion of the division of powers as a decisive element of a democratic regime.

Such parliamentary democracies have progressed to the extent that the executive and legislative branches are becoming increasingly interchangeable. In fact, in some cases, only if a person is a member of parliament can he be a minister or be a part of the cabinet; that is, that the person is simultaneously a member of the executive and legislative branches.

However, such a merging process between the executive and legislative branches has not decreased the democratic characteristics of those regimes.

For functional reasons, we in the PPSC assume a formula of state organization which implies the existence of four branches: executive, legislative, judicial, and electoral.

Trying to remain close to our social and political reality, we consider that Nicaragua should have a regime giving the executive branch the necessary powers to administer the country in an efficient and agile manner.

The affirmation, however, of the convenience of a strong executive branch, does not mean that the other branches should act as supernumeraries to the executive branch.

On this occasion, we shall only mention the functions which, in our opinion, the parliament should have in order to carry out its essential function to control over the executive branch.

The Parliament

The parliament can continue being unicameral. The number of its members could eventually be increased to improve the degree of proportion in the elections.

The parliament should have the following powers, which we consider basic:

- a. To establish the national budget. This is a definitive function of any parliament. To promulgate the national budget is the essence of the parliamentary activity.
- b. To perform legislative functions which cannot be delegated.

- c. To settle international treaties.
- d. To settle any government business concerning national property.
- e. To authorize or reject the restriction or suspension of the citizens rights and guarantees.
- f. To authorize loans and regulate payment of the foreign debt.
- g. To decree, modify, or eliminate taxes and contributions, and to evaluate the president's yearly report on his activities.
- h. To oversee the government's foreign policy.
- i. To exercise the right to question and censure the members of cabinet and directors of autonomous entities.
- j. To authorize the president to leave the country.
- k. To settle the resignations of the president or vice president of the republic, magistrates of the Supreme Court of Justice and of the Supreme Electoral Council.
- l. To ratify or reject, upon request of the executive branch, the chiefs of diplomatic missions of Nicaragua.
- m. To determine the politico-administrative division of the national territory.
- n. To decree amnesty.
- o. To develop through laws, the judicial principles contained in the political constitution.

Constitutional Amendment

One of the main experiences that can be obtained from our hectic constitutional history is the relative briefness of the life of our constitutions. The ease with which these have been amended has given way to real confusion. Considering that this problem could be solved through the adoption of a constitution with semi-rigid amending mechanisms, we propose: a) that the constitution should not be amendable during its first 10 years of existence; b) any amendment initiative must be approved by a two-thirds majority of the total of parliamentary members; c) once approved by parliament, the amendment shall be submitted to the people through a referendum, and only if the people approve the amendment by a 70 percent majority, will it enter into effect.

The electoral law shall be applied to the aforementioned referendum, particularly in the aspects of organization, vote casting, and the vote count.

JPRS-LAM-85-078
18 September 1985

NICARAGUA

BRIEFS

COOPERATION AGREEMENT WITH DENMARK--A cooperation agreement between Nicaragua and Denmark was signed today for 75 million Danish kroner, equivalent to approximately \$7.5 million. Part of the loan will be assigned to the Construction Ministry for the installation of an asphalt cement plant, and the rest will be used in the restoration of silos and in the storage of basic grains in region 2, and in the agricultural sector. [Summary] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 30 Aug 85]

CSO: 3248/511

ST LUCIA

PARTIES START JOCKEYING FOR POSSIBLE EARLY ELECTION

Kingston THE DAILY GLEANER in English 9 Aug 85 p 11

[Article by Guy Ellis]

[Text]

Castries, St Lucia, Aug 8, Cana

Two years before St Lucia's next general elections are due, all three of the island's political parties are into various forms of preparation for what some believe will be an early poll.

In the last elections in July 1982, Prime minister John Compton's United Workers' Party (UWP) was swept to power with a historic landslide winning 14 of the 17 seats in the house of assembly. Three years earlier, the UWP had lost control of the government after a 15-year three-term rule, going down to the St Lucia Labour Party (SLP), the oldest political organisation here, having been around since Universal Adult Suffrage in 1951.

But the SLP never settled into the seat of government, despite its seven-seat majority in the house. For more than two years, SLP conservatives and progressives were engaged in a hotly-contested power struggle that disenchanted the population and undermined the party's image and stability.

Now both the UWP and the SLP, along with the smaller progressive labour party (PLP) formed by break-away SLP stalwart George Odum, are currently engaged in manoeuvres, some very subtle, to gain the ascendancy.

The SLP and the PLP are saying they expect Compton will go for an early poll. In fact, the radical left-leaning Odum thinks this will be shortly after the forthcoming October visit of Queen Elizabeth.

His thinking is that Compton will seek to capitalise on whatever euphoria a royal visit creates among the electorate to seek a new mandate.

But very few political observers here have ever been able to read Compton's mind when it comes to choosing an election date. The St Lucian leader has gained a reputation for being crafty, with 31 years in politics, including 18 as head of a government, behind him.

Some pundits discount the post-October likelihood for a new poll. Their view is that the Queen will be spending a mere six hours in St Lucia, and only in the capital at that, and it is therefore quite unlikely that her visit will have any great impact on the electorate.

An election so far ahead of schedule would also be out of character with Compton's way of doing things. On each of three occasions between 1964 and 1979, he chose to hold on to office until close to the expiration of his term.

But despite his apparent confidence that he is reading the political cards correctly, Odum is clearly worried about the likelihood of an election in the immediate future. At a press conference last month, he questioned Compton's right to call a snap election.

Reminded by a reporter that were he in the prime minister's shoes he would not go to the polls when it was considered advantageous to the opposition, Odum replied: "A prime minister has the right to call an election when it is favourable to him, but that does not mean he must give two or three weeks' notice or orchestrate things to the disadvantage of opposition groups."

Since its 1982 defeat (the PLP won one seat in parliament), Odum's party has been experiencing dwindling front-line

members. Apart from its inaugural congress in 1981, there has been no other to date. Some party members are said to have been annoyed at Odum's manner of running the organisation's affairs. In fact, last September eight PLP candidates in the last general elections wrote to their leader in that vein.

Many observers feel Odum was less than candid at his recent press conference when he attempted to downplay the seriousness of his party's internal problems. He declared: "We were supposed to have gone into a congress this year which has been postponed for a number of reasons. Some people tend to use this congress idea to suggest that there is a feeling that there ought to be no challenge to the leadership."

"The PLP is an open, very democratic group, and if there has to be a change in leadership in the PLP - and that is not at issue at the moment - it will take place. There will be one in the months to come."

Odum denied a reporter's suggestion that the PLP was "a den of confusion", adding: "The confusion about the image of the party was that at (public) meetings, you only saw very few members of the party putting the party case, and some had withdrawn themselves from the hustle and bustle of the immediate struggle."

Although he said that at a recent meeting of the party, "all hands were on deck", Odum is now openly wooing the SLP for an "accommodation" to fight Compton at election time. He says he thinks the SLP would unite to fight the poll "if there is any good sense prevailing."

But not so says the SLP leadership, whose year-old political leader, prominent city businessman Julian Hunte recently told Cana that his party had identified candidates for all 17 constituencies and would be contesting on its own.

To compound matters, SLP insiders say that a recent executive meeting took a decision that the party wanted no part of Odum again, laying blame squarely at his feet for the last labour administration's chaotic rule.

But Odum does not believe that either of the two opposition groups, on their own, can unseat Compton. He says: "If the opposition is to rid St. Lucia of the inept government of the UWP, it is important that there is some sort of accommodation among the parties as a prelude to unifying the country as a whole."

He reported that there had been "certain marginal discussions" between the two parties which he felt would mature soon. But he added that there had been some resistance to the idea of an accommodation at the executive levels of both parties.

One of the major developments in the pre-election politicking concerns reports that Odum and his old ally Peter Josie have been moving towards a reconciliation. But Josie is not in any leadership position in the SLP. Specially recruited to lead the party in the 1982 elections, Josie later fell from grace and was dumped when the party reverted to total control by the conservatives.

Josie was visibly annoyed last year when the SLP chose Hunte as party leader, amending its constitution in the process to facilitate Hunte's running for the post. Josie withdrew from the race and Hunte sailed home easily.

The reports that Josie might now be drifting back into the Odum camp has annoyed many of the SLP's rank and file and there have been suggestions that his fate could be sealed at the party's annual convention later this month.

Meanwhile, the rift between Hunte and Josie continues to widen. This was evident late last month when Hunte ran against Josie for the presidency of the Seamen, Waterfront and General Workers Union. Josie, the incumbent, gave his opponent a severe thrashing by 152 to 60 votes to retain the leadership for another two-year term in the deeply-divided organisation.

Hunte, a prominent regional cricket administrator, has other problems as well. One is in the very constituency in which he plans to launch his new bid for a seat in parliament. This is in the northern district of Gros Islet, seven miles north of Castries, a traditional SLP stronghold which the UWP captured decisively for the very first time in 1982 against two other contenders.

Compton's government last Monday (August 5) elevated this tiny village of some 7,000 to become St Lucia's fourth town and is spending close to EC1 million dollars to give Gros Islet a facelift befitting its new status. The move is also expected to give the UWP a psychological boost in that constituency at election time.

Neither Odum, nor Hunte, who also believes Compton will go for an early election, are parliamentarians. Odum won

a rural seat in 1974 but lost in 1982 to the UWP. Hunte, a former city mayor, UWP member and Compton's heir apparent before they fell out in 1972 failed two years later to wrest the important central Castries seat from the UWP, when he ran as an independent.

This came after Hunte and Odium had attempted together to launch a new political party, the St Lucia labour action movement, which folded up inside a year.

Observers say that part of Compton's strategy to deal with his opponents will be to ensure that neither party leader enters parliament. This, they say, is what Gros Islet's township is all about.

On August 25, the SLP continues its efforts at image-building with its annual convention which is expected to shape party policy.

But there could be another important development, like Josie making a new bid for the party leadership in the aftermath of his union triumph over Hunte. Should Josie emerge successful, and this is highly unlikely, Odium's wish for an "accommodation" with the SLP could well be realised.

The pre-election picture in the camp of the opposition could become a little clearer after this month, as could the fate of Odium's desire for an understanding with the SLP.

Should he get his way, however, the major task of selling the idea to an electorate that still remembers the years of rivalry between the same SLP factions could be the next important item on the agenda, an item that the UWP could be expected to exploit to the fullest.

CSO: 3298/959

ST VINCENT AND THE GRENADINES

HOUSE APPROVES BUDGET, INCREASE IN SPENDING INCLUDED

Mitchell Proposal

Port-of-Spain SUNDAY EXPRESS in English 4 Aug 85 p 17

[Text]

KINGSTOWN, Saturday (CANA) The St Vincent and the Grenadines Government last week became the latest Caribbean Community (Caricom) state to introduce some of the provisions of the Nassau Understanding, a series of measures to encourage intra-regional trade.

In his budget presented at the opening of a new session of Parliament, Prime Minister James Mitchell announced a 15 per cent increase in duties on imports from non-Caribbean Community (Caricom) countries in keeping with the commitment by regional leaders. Mitchell said goods which could be produced in the region would fall under the increased duty.

This use of tariffs to offer protection to Caricom products was one of the measures agreed on by the Caricom summit in Nassau last July to revive trade among the 12 member common market, which has been on the decline for three years.

At the summit in Barbados last month, Caricom leaders promised to complete arrangements for full implementation of the Nassau agreement by August 31. Only five countries were said to have done so, even though the implementation date had twice been extended.

The E.C.\$164.99 million budget imposed higher taxes on a range of imports, while making it more costly to run vehicles, banks and yachts. At the same time, the government announced income tax and other concessions aimed at stimulating housing and private savings.

Total expenditure is an increase of 9.4 per cent over the 1984/85 figure.

Some \$67.07 million of the amount will be spent on capital works, with \$97.92 million earmarked for recurrent expenditure.

While capital expenditure in the new fiscal year will increase by 25.7 per cent, there will be a mere 0.5 per cent increase in recurrent expenditure.

The Prime Minister also announced a 10 per cent increase in the consumption tax on motor vehicles and accessories, with tractors and trailers for use in the agricultural sector exempted.

He introduced a \$100 annual fee on operators of video tape rental businesses effective from January 1, as well as increases in the entertainment and telecommunications tax.

Also costing more are entertainment, liquor, savings and deposit banks, and yacht licenses. It has become costlier to operate radio transmitters-receivers.

Mitchell also outlined what he said were new measures designed to stimulate productive investment and economic growth.

These include the exemption from personal income tax for a period of 10 years of all income associated with gross rents, mortgage interest and gains or profits accruing from sale, associated with an approved housing scheme where the cost of a unit does not exceed \$100,000.

Other measures include amendment of the Money-Lending Ordinance and the Interest Levy Act to provide incentives to commercial banks and prospective borrowers to stimulate investment and economic activity.

New tax measures are expected to land the government \$1.7 million. Mitchell tagged recurrent revenue at \$100.4 million.

He said external loans would bring in \$36.1 million, external grants over \$25 million and domestic borrowing just over 3

million.

The Ministry of Finance, Planning and Development will receive the biggest slice of the budget, a total of \$24.8 million or 25.4 per cent, with the Ministry of Education receiving \$18.1 million, the Ministry of Communications and Works \$16.3 million and the Ministry of Health \$13.1 million.

The remainder will be shared by the Ministry of Housing, Labour and Community Development and the Ministry of Trade, Industry and Agriculture.

Some \$26.7 million of the country's new capital spending will be on energy, representing 39.8 per cent, with agriculture, forestry and fisheries to receive \$12.5 million or 18 per cent.

Other substantial allocations of capital will go to transportation, communication and infrastructure (\$7.2 million), industry and mining (\$6.5 million), housing (\$4.4 million), and water and sewerage (\$3.9 million).

Prime Minister

Mitchell said \$2.5 million of the total capital expenditure will be met from a recurrent surplus on current account with the balance coming from external loans and grants and from domestic borrowing.

In a presentation lasting just over two hours, Prime Minister Mitchell also reviewed economic development.

He noted that the economy grew in real terms at an average of 3.5 per cent, continuing a slow-down that began during 1982 when growth fell from 7.4 per cent to 5.9 per cent.

The fastest growing sectors last year were agriculture, wholesale and retail trade, and transportation, while the manufacturing sector grew by less than one per cent.

Mitchell said that while inflation was reduced by a further 2.1 per cent during last year because of the continued strength of the U.S. dollar and government's policies, the recent fall in strength of the dollar indicated that inflation

would probably increase during this year.

The country's trade sector performed favourably during 1984. There was a further fall in the visible trade deficit which amounted to \$16 million last year, the lowest since 1978.

This improvement resulted in a strong export performance. Between 1979 and last year the value of imports rose by 65.5 per cent while export earnings increased by 265.4 per cent.

Last year alone, expenditure on import rose by 8.1 per cent while export revenue grew by 31.5 per cent. But there has been no change in the country's unemployment situation which, in June 1984, was between 40 and 45 per cent.

Mitchell said this was because of the poor performance of the manufacturing sector and the extremely high population growth rate, but told Parliament his government attached the highest priority to finding ways to solve the problem.

House Action

Port-of-Spain TRINIDAD GUARDIAN in English 5 Aug 85 p 5

[Text]

KINGSTOWN, Sun., (Canal): ST. VINCENT and The Grenadines Parliament has approved the Government's \$164 million Budget for 1985-'86, after a stormy three-day debate, in which three Opposition members were asked to withdraw from the proceedings.

The Budget, presented on Tuesday by Prime Minister James Mitchell, in his capacity as Minister of Finance, contained a 9.4 per cent increase in expenditure over the previous fiscal year.

Opposition Leader Vincent Beache, parliamentary representative for the Constituency of North Leeward, John Thompson and Senator Stanley John were asked to leave the House of Assembly by

Speaker Olin Dennie, for alleged misconduct, prompting four prominent Vincentians to circulate a letter to parliamentarians asking for better behaviour in the Chamber.

The letter, signed by Anglican Archbishop of the West Indies, Sir Cuthbert Woodroffe, attorney-at-law Henry Williams, businessman Arthur Connell, and West Indies Jaycees President Monty Maule, said unruly behaviour by parliamentarians could earn them public disrespect and bring the House of Assembly into disrepute.

Meanwhile, Beache accused the Speaker of being partial to Government parliamentarians, and of taking his cue from Prime Minister Mitchell and Attorney-General Emery Robertson.

CSO: 3298/946

TURKS AND CAICOS

EDITORIAL SEES NATION DECLINING, AT CROSSROADS

Grand Turk TURKS & CAICOS NEWS in English 27 Jun 85 p 4

[Editorial]

[Excerpt]

NEVER before in the history of this colony has its future seemed so uncertain. Two years ago there was such an unprecedented boom in the construction, tourism and offshore industries that many dreamed the Turks and Caicos would soon rival the Cayman Islands and the Bahamas in popularity as a place for vacation and business investments. Today that dream is not yet dead, but is only barely breathing after suffering a brutal pounding from the unfortunate events of the last three months.

It is heart-rending to hear some of the tales of hardship some of our people are enduring. Many are leaving the islands to go to the Bahamas and the United States in search of a livelihood. Businesses are closing as the money supply is drying up. Unemployment is rising, and so are the crimes associated with unemployment. Tourism in all of the islands is dead, except Providenciales. Companies registration is down and the offshore industry is beginning to look bleak. And to top it all off, government fees and duties have increased dramatically — in some areas as high as one hundred percent — and the question is seriously asked by all: Where are we headed, what does the future hold for these once-promising group of islands?

Many feel that the problem lies with the Government. They feel that if the Government is changed prosperity would start to flow once again. Some accuse the British of having a strangle-hold on the islands, and they reason that if we became independent and ran our own affairs the islands would be much better off. Others wish the islands would return to the full colonial status of pre-1976, doing away with the party system and allowing a Colonial Administrator to run their affairs.

However one feels about the situation in the islands, one thing is certain . . . the Turks and Caicos are at the crossroads and some decision has to be made very soon about their future.

CS0: 3298/940

TURKS AND CAICOS

DRIVE UNDER WAY TO ROUND UP ILLEGAL IMMIGRANTS

Grand Turk TURKS & CAICOS NEWS in English 13 Jun 85 p 12

[Text]

IMMIGRATION officers have begun a round-up of illegal immigrants on the Islands after a three-month lay-off because of lack of funds.

There are about 900 illegal immigrants — mostly Haitians — in the Turks and Caicos, Chief Immigration Officer Tom Saunders told the *News* this week. Working in pairs, officers will make systematic checks of homes and work sites in a concerted effort to return as many as possible to their homeland.

"We don't waste time and money by bringing them before a court," said Mr. Saunders. "Our aim is to get them out of the country as quickly as possible. But we will take employers to court if they are not prepared to pay for the return of any illegal immigrants they give work to."

On Providenciales particu-

larly, where immigration officers are well known, the men often operate in plain clothes at night. "They park their car and do some work on foot," was the way Mr. Saunders put it.

But, he added, the problem is so large that a 24-hour patrol boat is needed to intercept Haitian sloops which drop their illegal human cargoes at cays and deserted bays under cover of darkness.

Others, of course, arrive by plane with return tickets and then disappear in search of work that will pay them more than the \$10 a week they earn in Haiti. Work, says Mr. Saunders, that could be done by unemployed Turks and Caicos Islanders if they really wanted it. "But they are only interested in white collar jobs."

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VENEZUELA

BRIEFS

MID-YEAR RESERVES--According to the most recent statistics from the Central Bank of Venezuela, treasury reserves at the end of the first half of 1985 totalled 20.393 billion bolivares, of which 13.173 billion, that is, 66 percent, consist of mobile reserves. This reflects an 8.681 billion surplus during that period, that is, an increase of approximately 75 percent increase in comparison to closing figures of 1984. [Excerpt] [Caracas EL UNIVERSAL in Spanish 15 Aug 85 pp 2+1]

CSO: 3348/939

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